

## Russian criticises Turkey over missiles

NICOSIA (R) — Russia's State Duma speaker Gennady Seleznyov on Friday criticised Turkish threats to use military force to block the deployment of Russian missiles in Cyprus next year. "It is blackmail," Mr. Seleznyov told a news conference in Nicosia. "Cyprus is not buying nuclear weapons, bacterial or chemical ones. It is just buying a defence system."

Greek-Cypriots in the Mediterranean island, divided since a Turkish invasion in 1974, are due to take delivery of the first components of the S-300 surface-to-air missile system next year. News of the deal, signed in January, prompted warnings from Turkey that it would use military force if necessary to block their deployment. Turkey invaded Cyprus in 1974 after a Greek-Cypriot coup in Nicosia engineered by the military then in power in Greece.

# Jordan Times

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## Arafat arrives in Cairo

CAIRO (AFP) — Palestinian President Yasser Arafat arrived in Cairo late Friday for a stopover before returning to the Gaza Strip to huddle with his advisers over a U.S. initiative to defuse the latest crisis with Israel. The Palestinian leader, who flew in from Tunis, made no comment to journalists on arrival. Palestinian Cabinet Secretary Ahmad Abdul Rahman said Mr. Arafat would be back in Gaza on Saturday. A senior Egyptian official said no meeting had been planned between Mr. Arafat and Egyptian President Hosni Mubarak, and that the Palestinian leader's stopover was purely for "technical" reasons. On Saturday evening, Mr. Arafat will meet with his cabinet and Palestine Liberation Organisation (PLO) leadership to go over "the latest developments and ways to get out of the current crisis," he said.

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## Ross: Violence must make way for dialogue to advance peace process

*Netanyahu must choose between peace and settlement, Erakat says after talks with American troubleshooter*

*Arafat promises are not enough, Netanyahu contends*

OCCUPIED JERUSALEM (Agencies) — Wrapping up a two-day mission to rescue the faltering Mideast peace process, President Bill Clinton's envoy said Friday that violence must cease before Israel and the Palestinians can move forward in negotiations.

The envoy, Dennis Ross, appeared to be reprimanding Palestinian President Yasser Arafat, who has been accused by Israel of orchestrating stone-throwing protests in the West Bank in recent days.

As Mr. Ross spoke, clashes continued for a ninth day in several areas of the West Bank (see separate story).

However, there were first signs that Mr. Arafat was trying to restore calm. He ordered the postponement of a joint rally of his Fatah movement and militants that was to have been held Friday afternoon as a show of Palestinian unity.

Palestinian police also made first serious efforts, though not always successful, to disperse the protesters. In Ramallah, troops with plastic riot shields formed a human chain to keep protesters back.

Mr. Ross began his peace mission on Thursday in Morocco where he met with Mr. Arafat. Moving on to Israel, he met twice with Israeli Prime Minister Benjamin Netanyahu on Friday, and held talks with the chief Palestinian negotiator, Saeb Erekat.

Mr. Ross said he would now report back to Mr. Clinton and U.S. Secretary of State Madeleine Albright, adding that he believed both sides were still interested in pressing on with the peace talks.

"One thing is clear. It is essential to reestablish calm as a way to move forward the process. We cannot see a continuation of violence," Mr. Ross said after three-and-a-half hours of talks with Israeli leaders.

Mr. Netanyahu said he was told by Mr. Ross that Mr. Arafat had given the American envoy assurances he would try to prevent violence against Israelis. Mr. Netanyahu said he wanted a decisive crackdown on militants, and that promises were not enough.

"We want to see the Palestinian Authority curb this terrorism, to rein in the assailants, to jail the terrorist leaders and to instruct the Palestinian Authority security forces to cooperate with the Israeli security forces," Mr. Netanyahu said.

Mr. Netanyahu said he expected a fundamental change in Mr. Arafat's behaviour, not only a short-term effort to curb violence.

The Palestinians have been blaming Israel for the violence. They have said Mr. Netanyahu's hardline policies, including his decision to start construction of a Jewish settlement in Arab East Jerusalem, have triggered the violence.

"Mr. Netanyahu... has to make up his mind and choose between settlements and peace. He cannot have both," Mr.

## Violent protests continue despite PNA police effort

RAMALLAH (AFP) — Hundreds of Palestinian youths skirted Palestinian police lines to stone Israeli troops in three West Bank towns Friday as low-level protests over Israel's settlement policy entered a second week.

The largest demonstration erupted in Ramallah, a self-rule town north of Jerusalem, where Palestinian police turned out for the first time in riot gear and armed with shields in a bid to prevent another day of clashes between protesters and soldiers stationed at the city's entrance.

But the crowd of more than 200 youths which gathered following Friday prayers succeeded in skirting two police lines to enter a buffer zone near Israeli positions where Palestinian security forces are not allowed to enter.

The demonstrators tossed rocks at the soldiers, but mostly from more than a stone's throw away from the Israeli lines. Troops responded with tear-gas and rubber bullets.

Similar clashes occurred in Hebron, where Palestinian police also tried with little success to push the protesters back from Israeli soldiers guarding the city's Jewish enclave.

Five Palestinians in Hebron were injured by rubber bullets, including one who was hit in the eye and required hospitalisation, witnesses said.

About 100 protesters also ignored Palestinian police to attack Israeli soldiers in Bethlehem, which along with the other towns has been the scene of daily stone-throwing melees since Israel broke ground early last week on a Jewish settlement in Arab East Jerusalem.

In Jerusalem, police briefly evacuated Jewish worshippers from the Western Wall when some stones were tossed down from the Al Aqsa Mosque compound, but there were no serious injuries or arrests.

Stone-throwing was also reported from the Qalandia refugee camp north of Jerusalem, but by and large the unrest was muted.

The protests came as U.S. peace mediator Dennis Ross met with Israeli and Palestinian leaders in a bid to defuse the crisis caused by Israel's settlement policy and other decisions (see separate story).

While the violence has remained relatively muted, with Israeli troops so far avoiding the use of live ammunition, Israeli security forces were on high alert for a possible escalation of unrest ahead of "Land Day" on Sunday, an annual series of rallies and demonstrations against Israeli land confiscations.

Thousands of troops as well as tank units were placed on alert for a possible escalation of violence as Palestinians



GOOD FRIDAY IN JERUSALEM: Christians carry a large wooden cross on the Via Dolorosa during Good Friday processions in Jerusalem. Despite fears of violence, the day passed peacefully after a stone-throwing incident involving Palestinians at Al Aqsa Mosque and Jews at the Western Wall (see story on page 20) (Reuters photo)

## King to meet Annan and receive 'Seeds of Peace' Award on Monday

AMMAN (J.T.) — His Majesty King Hussein will meet U.N. Secretary General Kofi Annan on Monday, a spokesman for the U.N. said Friday.

The King will also receive the "Seeds of Peace" award during a special ceremony to be held in New York on Monday attended by Her Majesty Queen Noor and the U.S. Secretary of State Madeleine Albright, the Jordan News Agency.

Petra, said. The King is scheduled to deliver an address on the Middle East situation and the future of the peace process at a meeting to be organised by the "Seeds of Peace" institution in New York.

Prime Minister Abdul Salam Majali left for the U.S. on Thursday to join King Hussein in meetings with American administration officials saying that the King's efforts are mainly

focused on removing obstacles in the Middle East peace process. Dr. Majali said the King's contacts with the U.S. administration come at a time when the peace process is facing difficulties adding that King Hussein is hoping that the talks will help bring the peace process back on track. The King is expected to discuss Jordanian-U.S. economic, military and political relations. Dr. Majali said, noting that Jordan is facing difficult economic circumstances and hopes that the U.S. will honour its commitments to provide economic aid to the Kingdom. A Royal Decree was issued appointing Deputy Prime Minister for Services Affairs and Minister of Administrative Development Abdullah Ensour as acting prime minister during the absence of Dr. Majali.

## Israel plans more building

OCCUPIED JERUSALEM (AFP) — The Israeli government is planning to build 1,500 more homes for Jews in the West Bank and a hotel in Arab East Jerusalem as part of its programme of expanding Jewish settlements, an Israeli newspaper reported Friday.

The daily Haaretz said Defence Minister Yitzhak Mordechai had approved the construction of an additional 1,500 housing units at Givat Zeev, a settlement on the northern edge of Jerusalem. Work on the homes should begin in about two months, it said.

The ministry maintained its traditional silence on specific settlement decisions, with a spokesman saying only that "the minister occasionally authorises new building in existing settlements."

Israeli press reports said Mr. Mordechai recently gave preliminary approval to a major project for building 1,500 new housing units and hotels on land to be annexed between Arab East Jerusalem and the nearby West Bank settlement of Maale Adumim.

The project would extend Jerusalem a further five kilometres into the West Bank.

Haaretz said that as an initial step in this direction, Israeli developers were

## Military committee concludes Baqoura attack investigations

*Dakamseh opened fire for 'nationalistic reasons' prompted by provocation by Israeli schoolgirls, his lawyer asserts*

AMMAN (J.T.) — A three-member military committee entrusted with investigating the killing of seven Israeli schoolgirls by a Jordanian soldier, Ahmad Dakamseh, on March 13 in Baqoura has finalised its mission and plans to refer the case to the military court.

Reports in the local press said the charge sheet contains the soldier's confession that "he committed the shooting out of a sense of national duty and to protect his military honour and national dignity" alleging that the Israeli girls had provoked him "by their loud laughter at seeing him performing his prayers and by an attempt by one of the girls to take his picture while he was praying."

The accused opened fire on the girls visiting the Baqoura area in the northern Jordan Valley border tourist spot killing seven and wounding five girls plus a teacher.

Corporal Dakamseh told investigators he had not planned the attack and there was no accomplice to his action.

Ahmad Najdawi has been appointed by the general attorney to defend Dakamseh at the military court.

The lawyer was quoted by these reports as saying that he found Dakamseh "was influenced by the events in the occupied Arab territories and Israel's arrogance." The lawyer said he

could not see that Dakamseh was "mentally deranged as his behaviour was quite normal." "I cannot say that he is a national hero, but he is a patriot who was motivated to open fire by his feeling that he wants to defend his country," said Mr. Najdawi after he had met Dakamseh, adding that he might request that the soldier undergo medical examination during the trial.

"My client told me the Israeli girls stood close to him, ridiculing him, laughing and taking pictures of

him while he was howling in submission for Muslim noon prayers," Mr. Najdawi said. "He said he felt it was an inhumane action on behalf of the girls, that he was personally insulted and his faith was offended," said Mr. Najdawi, who met the soldier Monday.

Dakamseh was overpowered by fellow soldiers after he grabbed another soldier's assault rifle and opened fire on the group of about 40 students.

(Continued on page 15)

## Arab and Muslim states, angered by Israeli actions, unite positions

CAIRO (Agencies) — Arab and Muslim countries, incensed by Israeli moves to build more housing for Jews in Arab East Jerusalem, are uniting against the Jewish state and calling for a review of ties.

Foreign ministers of the 22-member Arab League will hold a meeting here this weekend on the heels of an Islamic summit and two other gatherings of Arab and Muslim leaders which have denounced Israeli policies.

The two-day ordinary ministerial conference which opens on Sunday is being billed as "Arab reaction to confront Israeli violence and American bias."

During the plenary session, the Palestinian National Authority (PNA) is expected to submit a resolution calling on Arab states to reexamine their relations with Israel. President Yasser Arafat will address the meeting.

The ministers will also inaugurate a painting by an Egyptian artist entitled "Jerusalem."

Arab and Islamic leaders have been in a fury over plans by Israel to go ahead with the construction of a new Jewish settlement on Arab East Jerusalem.

The Organisation of the Islamic Conference (OIC), at a meeting in Islamabad last weekend, declared its

support for Palestinian claims to Jerusalem and slammed Israel's settlement plans in the Holy City.

DEPUTY PRIME Minister for Development Affairs and Minister of State for Prime Ministry Affairs Jawad Anani said Friday that the 17 countries which attended the meetings in Rabat reaffirmed their rejection of all Israeli moves to change the demographic and geographic features of Jerusalem.

Dr. Anani, who was speaking to Jordan Television after representing Jordan at the meeting, reaffirmed the Kingdom's support for the Palestinian people's right to self-determination on their national soil.

He said: "We should bear in mind that the peace process should be advanced towards attaining a just, durable and comprehensive peace and that we should not give certain parties the chance to derail the peace march. We as Arabs and Muslims do not accept the Israeli measures against Muslim and Christian religious places."

On Wednesday, the foreign ministers of Saudi Arabia and five other Gulf Arab states echoed the OIC



King Hassan II of Morocco greets Palestinian President Yasser Arafat on Thursday at the meeting of the Jerusalem Committee of the Organisation of Islamic Conference at the royal palace in Rabat (AFP photo)

position and called on Arab countries to reconsider normalising ties with Israel.

The OIC's Al Quds Committee issued a resolution after a meeting in Rabat on Thursday calling on "Islamic states which have started to take steps toward Israel to reconsider their relations with it, including the closure of missions and

offices."

A final communique called for pressure "until Israel submits to U.N. resolutions and its commitments" to the Middle East peace process.

The PNA hopes the Arab League will put a final seal

(Continued on page 15)

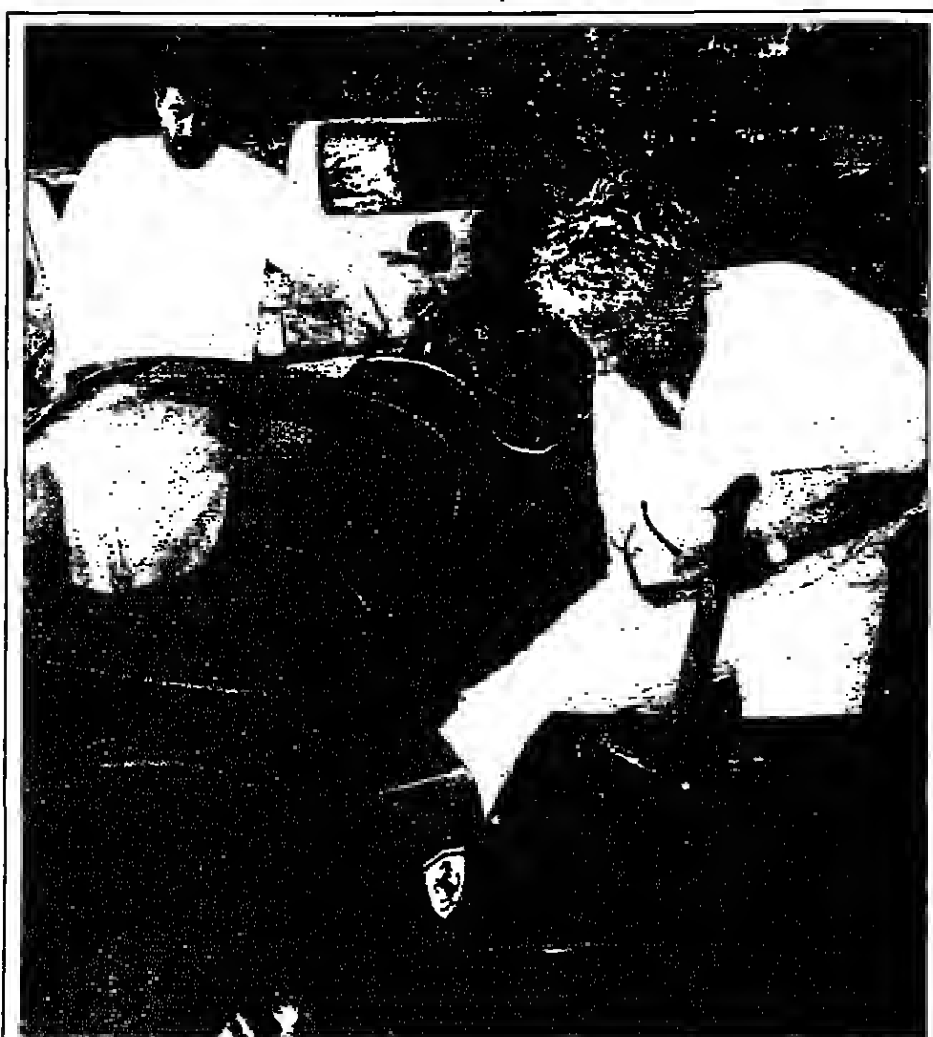
## Arab Bank presents budget, final account

AMMAN — The Arab Bank Shareholders General Assembly held its 67th meeting at the Arab Bank Building in Amman on Friday under the Chairmanship of Mr. Abdul Majeed Shoman, Chairman of the Board, and in the presence of the Companies Comptroller at the Ministry of Industry together with Arab Bank shareholders from various Arab countries.



The meeting discussed the general budget, the final accounts and the Board of Directors report.





ROD STEWART IN DUBAI: Scottish pop star Rod Stewart is getting ready to take the wheel of rally champion Mohammad Ben Sulayem's Ferrari F50, for a drive through the streets of Dubai, on Thursday. Stewart is in Dubai to be at the World Cup horse race on Saturday (AFP photo)

## Islamic banks under fire in Egypt for 'hypocrisy'

CAIRO (AFP) — Islamic banks are under attack in Egypt where they have been accused by the press of "hypocrisy" for taking advantage of people's religious conviction to amass their own wealth.

"These banks are trying to convince the people that dealing with any other banking establishment is 'haram' (illegal under Islam)," said Ibrahim Siida, editor of the government weekly newspaper Akhbar Al Yom.

The newspaper's director, Kamal Abdul Rauf, went further and accused the Islamic banks of "hypocrisy."

"They are using Islam to attract a larger number of clients, spirit away part of their earnings in exchange for financing what they say are charity projects and guarantee a 'halal' (legal under Islam) profit," Mr. Abdul Rauf said.

During the Holy Month of Ramadan in January, Islamic banks launched a media campaign to attract new clients and claimed through television advertisements that they alone provided "halal" profits.

One of the five pillars of Islam is to pay a "zakaat" (contribution to a charity) but differences remain on how banks should handle

interest rates. Islamic banks claim that pre-fixed interest rates provided by commercial banks violate Islam's anti-usury principles.

In a bid to woo devout Muslims, Islamic banks instead distribute profit equally among their depositors.

But the head of Al Azhar, the highest Sunni Muslim authority, has joined the controversy recently by insisting that banks which fix interest rates in advance are not acting against Islamic principles.

Sheikh Mohammad Hussein Tantawi further angered believers by stating that Islamic banks "should erase the word Islamic which suggests that the other banking establishments are not Islamic."

There are three Islamic banks in Egypt: the Egyptian-Saudi Finance Bank, the Islamic International Bank for Investments and Development and the Faysal Islamic Bank which has a capital of \$300 million.

The state-controlled Misr Bank and the Bank of Cairo have departments specialising in "Islamic transactions."

Egypt's Islamic banks carry little economic weight and represent only 20 per cent of the \$3.5 bil-

lion deposited in investment banks and a tiny fraction of the \$44 billion dollars deposited in commercial banks.

"The government is not afraid that they could one day control the banking system in Egypt but the press is fed up with their moralistic approach to making business," a Western banker who declined to be named said.

Ahmad Zundu, a former Egyptian finance minister who headed an Islamic bank in the 1980s, has joined the fray in protesting Islamic banks. "They are hiding their real profit and making up others for the sake of clients and calling this profit distribution," Mr. Zundu said.

A former head of state security, General Fuad Allam, charged that militants were using profit made by Islamic banks to finance extremist activities.

A former vice president at the International Union of Islamic Banks denied this accusation. "The activities of these banks is controlled by the state," said Mahmoud Al Ansari. "In fact their profit is such that the U.S. bank Citibank has decided to open a branch dealing in Islamic transactions in the Gulf," he said.

## Sri Lankan deputy slams PLO over Arafat's stunt

COLOMBO (AFP) — A Sri Lankan legislator, Friday insisted Palestine Liberation Organisation (PLO) Chairman Yasser Arafat did pull out a revolver during an official banquet here, despite denials from Palestinian officials.

Tamil legislator Dharmaalingam Siddharthan said he was surprised to see a press release by the Palestinian mission in New Delhi denying Mr. Arafat pulled out a gun at the banquet hosted by President Chandrika Kumaratunga.

"I am surprised at the denial," Mr. Siddharthan said. "I was seated at the same table with the two presidents when Mr. Arafat pulled out his olive green hush coat."

President Kumaratunga had just announced to her guests at her tightly-guarded temple trees residence on Monday the Palestinian leader no longer carried a gun, when Arafat proved her wrong.

"Both presidents took it lightly," Mr. Siddharthan said, adding he took exception to the PLO mission in Delhi belittling him in its press release Thursday.

The PLO office said: "While the embassy considers the (gun pulling) story attributed to some name, i.e., Mr. Siddharthan as rubbish and nonsense, appeals to the press to authenticate such misleading

and defaming news."

Mr. Siddharthan was introduced to Mr. Arafat by President Kumaratunga saying: "He was trained by you, but now he is with me."

Mr. Arafat had strongly denied his PLO trained Sri Lankan Tamil militants in the mid 1980s. Mr. Arafat told reporters here Tuesday Palestinian groups may have trained Sri Lankans but not his PLO.

However, Mr. Siddharthan, whose DPLF Party supports President Kumaratunga's government, contradicted the PLO leader.

Mr. Siddharthan said he spent three weeks in Lebanon in 1984, seeing members of his former Tamil militant group undergoing training by the PLO there.

Mr. Arafat's brief overnight visit here on Monday turned out to be a public relations disaster for the PLO. A state run newspaper said Mr. Arafat had been rude at a public meeting where he took questions from the audience.

The PLO leader had dismissed as "silly questions" those he did not want to answer. At a press conference he yelled at reporters to "sit down" when asked about the objective of his latest foreign tour amid a deepening crisis at home.

## 4 Germans kidnapped in Yemen

BONN (AFP) — Four German tourists have been kidnapped in Yemen, where another tourist group from Germany was released just two weeks ago after being held hostage for 10 days, the foreign ministry said Friday.

Their identities were not disclosed, but a ministry spokesman said they were abducted by unknown persons in a region between the capital of Sanaa and the city of Marib.

A crisis unit has been set up inside the German embassy in Yemen as well as in the foreign ministry in Bonn, the spokesman said.

In Sanaa, local authorities and the embassy, contacted by AFP, declined to comment on the latest kidnappings.

On March 3, seven German motorcycle tourists were kidnapped by 50 armed tribesmen near Tarim, 750 kilometres east of Sanaa, and held by members of the Manshih mountain tribe, north of the oil-rich Wadi Massila area.

They were freed 10 days later, after which the Yemeni government denied that it met the captors' demand of a ransom \$7 million.

Prior to this week, some 80 foreigners had been kidnapped since 1993 by tribesmen hoping to exact ransom payments from the government. All were freed unharmed.

## NEWS IN BRIEF

### Indonesia, Qatar discuss peace process

DOHA (AFP) — Qatari Foreign Minister Hamad Ben Jasssem Ben Jabr Al Thani discussed bilateral relations and the Middle East peace process here Friday with his Indonesian counterpart Ali Alatas, officials said. Sheikh Hamad and Mr. Alatas also discussed the results of the summit of the Organisation of the Islamic Conference (OIC) held in Islamabad last weekend. The officials said. They signed a letter committing Qatar and Indonesia to stepping up economic cooperation and investment protection. Several thousand Indonesians work in Qatar and other Gulf states.

### Netanyahu to visit Rome

ROME (AFP) — Israeli Prime Minister Benjamin Netanyahu is to visit Rome on April 11 for talks with his Italian counterpart Romano Prodi and to attend an economic conference, an official statement said. The prime minister's office said the high-level bilateral conference would be held at the headquarters of confindustria, the Italian employers' association. Mr. Netanyahu was last in Rome on Feb. 3, when he met Italian leaders and, for the first time, Pope John Paul II.

### Germany rejects Rushdie fears

BONN (AFP) — Germany Thursday rejected fears by British novelist Salman Rushdie, under an Iran-imposed death sentence for blasphemy to Islam, that it would influence a trial of five suspected pro-Iranian terrorists. Spokesmen for the foreign and justice ministries stressed that Germany's courts were independent. Speaking in Strasbourg, Rushdie said Bonn appeared to be exerting pressure for a favourable verdict at the trial, which has been going on since October 1993, and that it would be a "scandal" if that was so. One Iranian and a Lebanese, suspected of working for Iranian intelligence, are accused of an attack on a Berlin restaurant in 1992, when four dissident Iranian Kurds were killed. During the trial accusations of top-level Iranian involvement in the case brought an angry reaction from Tehran, and the implication of Mr. Rushdie's comment was that Germany did not want to face potential revenge attacks if the five were found guilty. The verdict is expected on April 10.

### Israeli billionaire Eisenberg dies at 76

TEL AVIV (AP) — Billionaire Shaul Eisenberg, one of the leading businessmen in Israel, died Thursday of a heart attack during a business trip to Beijing, a family spokesman said. Eisenberg was 76. He was head of the Israel corporation, a huge holding company with interests throughout Israel, Europe, Central Asia and elsewhere. He also has controlling interests in the Israeli chemicals conglomerate and in Zim Navigation Lines, Israel's biggest shipping company. His son, Irvin Eisenberg, left Israel for Beijing to bring the body home, the aide said. The funeral will take place in Israel early next week, said the spokesman, who spoke on condition of anonymity.

### Morocco adopts draft law on regions

RABAT (R) — Morocco's parliament unanimously adopted a draft law to set up elected councils in 16 regions, including the disputed Western Sahara to give people a voice in daily economic management, a spokesman said on Friday. The draft law was unanimously approved and adopted by the 333-seat Chamber of Representatives during an extraordinary session on Thursday night, a parliament spokesman said. Opposition groups with their 125 seats, led by the old-guard Istiglal party, also voted in favour of the new law, he said. The 70-article law aims at administrative decentralisation to involve more people in decision-making to provide improved management of regional resources, the spokesman said. The new law is part of the constitutional reforms adopted in 1996, including the establishment of a bicameral parliament to be elected in the second half of 1997.

### Three beheaded in Saudi Arabia

RIYADH (AFP) — A Sudanese convicted of a series of murders and two other Arabs found guilty of drug trafficking were beheaded on Friday, the Saudi Interior Ministry said. Jaballah Al Bashir Al Taher was executed in Khamis Mashit, southwest of the kingdom, for killing two couples and a woman during house break-ins. The ministry said Mamdouh Mahmoud Hussein Al Naimi from Syria and Jordanian Mohammad Mahmoud Khalid Al Khalidi were beheaded in Sikaka, in the north, for drug trafficking. The latest executions raised to 19 the number of people beheaded in the kingdom so far this year. Saudi Arabia, where Islamic laws are strictly applied, hands down death sentences for murder, rape, armed robbery and drug trafficking. Last year, 68 people were executed, down from a record 191 in 1995.

## Canada charges Saudi was driver in Khobar bombing

OTTAWA (Agencies) — The Canadian government charged on Thursday that one of two Saudi dissidents it is holding was a driver involved in the massive truck bomb in Saudi Arabia last June that killed 19 U.S. airmen.

In documents filed with the federal court, Canada's intelligence service alleged that Hani Abdul Rahim Hussein Al Sayegh conducted surveillance at the site of the bombing, which also wounded close to 400 people.

It said he then drove a car which "signalled the explosives-laden truck to enter the parking lot."

Mr. Sayegh was arrested in Ottawa on March 18 on the grounds that he represented a security threat to Canada.

Federal Court Justice Donna McGillis made an initial examination of the evidence in his absence on Thursday and declined to set him free, fixing a further hearing for April 28 to which he is invited to appear.

The U.S. Federal Bureau of Investigation (FBI) said last Saturday it wanted to put questions about the bombing to Mr. Sayegh, a 28-year-old Shi'ite Muslim who denies having been in Saudi Arabia last June.

The evidence was presented at a federal court hearing by the Canadian Security Intelligence Service (CSIS).

A 19-page outline of the allegations against Mr. Sayegh included claims that:

— Sayegh was a member of the Saudi Hizballah, a group of Shi'ite Muslim militants with a history of violence and links to extremist groups in Lebanon;

— Before the Khobar blast, Sayegh was detected conducting surveillance at the military compound;

— He drove a car that signalled the bomb truck to enter the Khobar base grounds.

"On the night of June 25, 1996, a white car followed by a 5,000-gallon (190,000 litre) tanker truck pulled into a parking lot in front of the Al Khobar towers," the CSIS statement said.

"The white car flashed its headlights and another car already parked in the lot flashed its headlights in response. The two vehicles then pulled into the parking lot. The white car pulled ahead and then stopped."

"The tanker truck, rigged with an estimated 2,260 kilograms of explosives, was backed up to the fence line in front of the building," the statement continued.

"Two men jumped out of the truck and hurriedly went over and entered the white car, which drove away at high speed. They were quickly followed by the signal vehicle. Four to six minutes later, the truck bomb exploded without warning."

It continued: "Hani Al Sayegh, who is now in Canada, conducted surveillance at the site of the bombing. On the day of the bombing, he was the driver of the car which signalled the explosives-laden truck to enter the parking lot."

### JORDAN TELEVISION

TEL. 773111-19

### PROGRAMME TWO

14:05 Cartoon — Mickey & Donald Adventures  
14:30 Cartoon — Moomin  
15:00 French Programmes  
16:00 Gillette World Sport  
16:30 Doc — Innovations  
17:00 Tili  
17:25 Drama — Blue Heelers  
18:00 French Programmes  
19:30 News Headlines  
19:35 Comedy — Hangin' With Mr. Cooper  
20:00 Doc — Magazine-01  
20:30 Psm  
21:10 Science Fiction — "Time Trav"  
22:00 News in English  
22:25 MacGyver  
23:15 Feature Film — "A Red Wind"

### PRAYER TIMES

04:06 Sunrise  
05:24 Sunset  
11:40 Dhuhr  
15:11 Asr  
17:56 Maghreb  
19:14 Isha

### CHURCHES

St. Mary of Nazareth Church  
Sweifeh, Tel. 810740  
Assemblies of God Church Tel. 632785  
St. Joseph Church Tel. 624590  
Church of the Annunciation  
Tel. 637440  
De la Salle Church Tel. 661656  
Terra Sancta Church Tel. 622366  
Church of the Annunciation

## JORDAN TIMES DAILY GUIDE AND CALENDAR

Tel. 623541  
Anglican Church Tel. 623826  
Armenian Catholic Church Tel. 771351  
Armenian Orthodox Church Tel. 775261  
St. Ephraim Church Tel. 771751  
Amman International Church Tel. 827126  
Evangelical Lutheran Church Tel. 824528  
German-speaking Evangelical Congregation Tel. 845457  
The Latter-Day Saints Tel. 654952  
Church of Nazarene Tel. 675691  
The Evangelical Local Church in Amman Tel. 811295  
English-speaking  
Latin Catholics Parish Tel. 614190

### USEFUL TELEPHONE NUMBERS

NIGHT DUTY  
AMMAN:  
Dr. Ramzi Mazzawi 894788  
Dr. Bassam Karadshah 759200  
Dr. Salman Al Daboubi 661144  
Dr. Khalid Abdo 667129  
Firas pharmacy 661912  
Ferdows pharmacy 778336  
Al Asena pharmacy 637055  
Nairokh pharmacy 623672  
Al Salam pharmacy 636730  
Yacoub pharmacy 644945  
Shmeisani pharmacy 637660  
Najib pharmacy 847632  
IRBID:  
Dr. Mazen Abu Bakir 276852  
Al Quds pharmacy (t) —  
ZARQA:  
Dr. Samir Al Lawzi 989601  
Khalifeh pharmacy 985417

### WEATHER

Bulletin supplied by the Department of Meteorology

Temperatures are expected to rise, skies sunny to partly cloudy, and winds northeasterly to northwesterly moderate. On Sunday, temperatures will rise further. In Aqaba, moderate weather conditions will prevail, winds northerly moderate, and seas calm.

Min./Max. temp.  
Amman 04/16  
Aqaba 11/24  
Deserts 02/20  
Jordan Valley 10/23

Yesterday's high temperatures:  
Amman 13, Aqaba 22 Humidity readings: Amman 70 per cent, Aqaba 36 per cent.

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Firas pharmacy 661912  
Ferdows pharmacy 778336  
Al Asena pharmacy 637055  
Nairokh pharmacy 623672  
Al Salam pharmacy 636730  
Yacoub pharmacy 644945  
Shmeisani pharmacy 637660  
Najib pharmacy 847632  
IRBID:  
Dr. Mazen Abu Bakir 276852  
Al Quds pharmacy (t) —  
ZARQA:  
Dr. Samir Al Lawzi 989601  
Khalifeh pharmacy 985417

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Jordan Valley 10/23

Highway Police 843402  
Traffic Police 896390  
Public Security Department 630321  
Hotel Complaints 605800  
Price Complaints 661176  
Water and Sewerage Complaints 897467  
Amman Municipality Complaints 787111  
Telephone Information (direct assistance) 121  
Overseas Calls 010230  
Central Amman Telephone Repairs 623101  
Abdali Telephone Repairs 661101  
Jordan Television 773111  
Radio Jordan 774111  
Water Authority 680100  
Jordan Electricity Authority 815615  
Electric Power Company 636381  
RJ Flight Information 08-53200  
Queen Alia Intl. Airport 08-53200

### USEFUL TELEPHONE NUMBERS

NIGHT DUTY  
AMMAN:  
Dr. Ramzi Mazzawi 894788  
Dr. Bassam Karadshah 759200  
Dr. Salman Al Daboubi 661144  
Dr. Khalid Abdo 667129  
Firas pharmacy 661912  
Ferdows pharmacy 778336  
Al Asena pharmacy 637055  
Nairokh pharmacy 623672  
Al Salam pharmacy 636730  
Yacoub pharmacy 644945  
Shmeisani pharmacy 637660  
Najib pharmacy 847632  
IRBID:  
Dr. Mazen Abu Bakir 276852  
Al Quds pharmacy (t) —  
ZARQA:  
Dr. Samir Al Lawzi 989601  
Khalifeh pharmacy 985417

### WEATHER

Bulletin supplied by the Department of Meteorology

Temperatures are expected to rise, skies sunny to partly cloudy, and winds northeasterly to northwesterly moderate. On Sunday, temperatures will rise further. In Aqaba, moderate weather conditions will prevail, winds northerly moderate, and seas calm.

Min./Max. temp.  
Amman 04/16  
Aqaba 11/24  
Deserts 02/20  
Jordan Valley 10/23

Palestine, Shmeisani 607071  
Shmeisani Hospital 669131  
University Hospital 845845  
Al-Muasher Hospital 6672779  
The Islamic, Abdali 66612637  
Al-Ahli, Abdali 6641646  
Italian, Al-Muhajreen 77101/3  
Al-Bashir, J. Ashrafbeh 77511/26  
Army, Marika 89161/115  
Queen Alia Hospital 6024050  
Amal Hospital 674155  
The Arab Centre for Heart and Special Surgery 865199  
ZARQA:  
Zarga Govt. Hospital 09983323  
Zarga National Hospital 09900560  
Ibn Sina Hospital 09986732  
Al Hikam Modern Hospital 09990990  
IRBID:  
Princess Basma Hospital 02275555  
Greek Catholic Hospital 02272275  
Ibn Al Nafes Hospital 02247100

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Aqaba 11/24  
Deserts 02/20  
Jordan Valley 10/23

International Airport Tel. (08)53200 where it should always be verified. Information on other flights is obtained on telephone (08) 52700 or (08) 523250.

### ARRIVALS

Royal Jordanian (RJ) Flights  
08:30 Aqaba (add) (RJ)  
08:55 Damascus (RJ)  
09:45 New Delhi (RJ)  
09:55 Karachi, Dubai (RJ)  
10:05 Beirut (RJ)  
10:30 Colombo (RJ)  
12:55 Amsterdam, Frankfurt (add) (RJ)  
14:45 New York, Amsterdam (RJ)  
15:55 Vienna (OS)  
16:20 Cairo (RJ)  
19:40 Jeddah (add) (RJ)  
20:05 Jeddah (add) (RJ)  
21:30 Vienna (RJ)  
21:50 Vienna, Berlin (add) (RJ)  
22:00 Madrid (add) (RJ)  
01:30 Brussels, Damascus (RJ)  
01:50 Madrid (add) (RJ)  
05:35 Bangkok (RJ)

### ARRIVALS

Other Flights  
12:40 Muscat, Abu Dhabi (GF)  
15:05 Vienna (OS)  
18:15 Dubai, Damascus (EK)  
21:00 Paris, Damascus (AF)  
22:20 Larnaca (CY)  
22:25 Beirut (ME)  
22:35 Cairo (MS)  
23:40 Amsterdam, Beirut (KL)  
23:50 London (RJ)  
01:00 London, Damascus (BA)

### 04:35 Rome (AZ)

06:30 London (KI)

Royal Wings (RW) Flights

20:30 Aqaba (RW)

### DEPARTURES

Royal Jordanian (RJ) Flights  
05:45 Aqaba (add) (RJ)  
06:20 Beirut (RJ)  
10:30 Madrid (add) (RJ)  
11:00 Aqaba, Vienna (RJ)  
11:05 Paris, Brussels (RJ)  
11:15 Vienna, Berlin (add) (RJ)  
11:30 Amsterdam, New York (RJ)

12:00 Geneva, Madrid (RJ)

12:15 Cairo (RJ)

12:30 Paris (RJ)

13:00 London (RJ)

14:25 Jeddah (add) (RJ)

14:40 Jeddah (add) (RJ)

21:00 Abu Dhabi, Dubai (RJ)

21:15 Riyadh, Dhahran (RJ)

22:00 Bombay (RJ)

22:20 Jeddah (RJ)

23:20 Bahrain, Doha (RJ)

23:45 Larnaca (RJ)

### Other Flights

00:15 Damascus, Amsterdam (KL)

03:00 Beirut, Athens (OA)

07:00 Beirut (ME)

13:30 Abu Dhabi, Bahrain (GF)

15:50 Vienna (OS)

19:15 Dubai (EK)

23:10 Larnaca (CY)

23:30 Cairo (MS)

23:55 Abu Dhabi, Bahrain (AF)

00:40 Amsterdam (KL)

### 04:35 Rome (AZ)

06:30 London (KI)

Royal Wings (RW) Flights

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11:05 Paris, Brussels (RJ)  
11:15 Vienna, Berlin (add) (RJ)  
11:30 Amsterdam, New York (RJ)

12:00 Geneva, Madrid (RJ)

12:15 Cairo (RJ)



## Britain pledges £110,000 to NRA

AMMAN (J.T.) — Minister of Planning Rima Khalaf and British Ambassador Peter Hinchcliffe Thursday signed a memorandum of understanding which provides a grant of £110,000 to expand the Natural Resources Authority (NRA) in the area of environmental thematic mapping.

According to a statement released by the British embassy, the project is funded by a grant from the British government's Overseas Development Administration (ODA).

This two-year project is expected to start in April 1997 and cover a pilot study of the Aqaba region, the statement said.

It provides two years of short-term support by British

consultants as well as training in the U.K. for NRA staff. It added.

The project aims to improve knowledge of the environmental profile of the Aqaba region as well as enhance the expertise of the NRA staff, thereby providing the government of Jordan with a better position in its negotiations with its regional partners over Jordan Rift Valley development plans.

The availability of environmental thematic plans for the Aqaba region will improve the allocation of resources including port activity, housing and tourism, the statement concluded.

## Environmental management is key to rehabilitation of Azraq Basin — lecture

By Sacha Baggili  
Special to the Jordan Times.

AMMAN — In a lecture relating the story of the degradation and rehabilitation of the Azraq Basin, Director of the Azraq Oasis Conservation Project (AOCP) Ghaili Fariz, Wednesday highlighted the importance of communication in the public domain concerning environmental management in Jordan.

"The lesson to be learnt here is the importance of communication between national institutions," said Dr. Fariz, at a lecture hosted by the Royal Society for the Conservation of Nature (RSCN).

"A failure to communicate led to the abuse of the Azraq Oasis," he continued, "and the success of cooperation between related government ministries, the University of Jordan, the RSCN and the AOCP was the key to a successful rehabilitation project."

In recounting the history of the Azraq Basin, Dr. Fariz explained that archaeological digs have proved that the area was inhabited up to 250,000 years ago and that as "a blue spot amid a vast yellow and arid region," it has historically been an attraction for humans and "all creatures of God."

Throughout this historical epoch it was an area of migratory movement for the ancient Romans and Greeks and was used as a base for the Arab forces in the Great Arab Revolt.

According to Dr. Fariz, until the onset of depletion in the late 1970's, Azraq boasted an abundance of flora, fauna and wildlife, unique not only to the Middle East, but also "in global terms."

"Thirty years ago, Azraq was inhabited by wild horses and buffalo," he added, expressing dismay that this precious area has been subjected to abuse and over-pumping, leading to the necessity of "joint forces as the only means of steering away from degradation."

He told the members of the general public attending the lecture that, although approximately five per cent and one per cent of the Azraq basin lie in Syrian and Saudi Arabian territory respectively, it is located mostly in Jordan with responsibility for the centrally located oasis existing totally as the hands of Jordanians.

Eighty per cent of the water received by the Azraq wetlands originates from the Syrian area (the highest point) which "progresses south, to the oasis through underground water veins."

Dr. Fariz explained that water-pumping from Azraq to the capital and surrounding towns began in the 1940's but "this was minimal and never really affected the status of the wetlands."

By 1993, 25 million cubic metres (mcm) of water was being pumped for municipal needs and 25 mcm of water was being pumped for agricultural uses. "This amounted to twice the oasis' natural rechargeable capacity," asserted Mr. Fariz.

He said that the abuse of the Azraq

basin, which gravely affected the population of Azraq, mounted as a direct result of economic, social and demographic developments in the Kingdom.

In the endeavours of institutions in the public domain to satisfy the growing demand for water, "nobody accounted for the environmental costs of their actions," stated Mr. Fariz.

In the 1970's and 80's, Jordan was enjoying the residual effects of an economic boom in the Gulf. Many Jordanian expatriates working in the Gulf "began pouring money into Jordan, often opting to invest money in agricultural land in the vicinity of the Azraq wetlands," said Dr. Fariz. "Over the years this [situation] increased the agricultural demand for water by at least a thousand-fold, and this inflated demand became totally dependent on underground water from the Azraq basin."

According to information published by the United Nations Development Fund (UNDP), the water extraction explosion of the late 1970's was compounded in the 1980's as the economy expanded and population increased.

The consequences were reportedly disastrous. Springs, lakes and marshes dried up and foliage and wildlife disappeared.

The underground water table dramatically increased and the salinity of water and soil surged.

Dr. Fariz pointed to the irony of the timing of the incipience of the environmental disaster in Azraq, as in 1976 Jordan signed the Ramsa Convention in Iran, which outlined measures to be taken for the protection of wetlands world-wide.

"As a signatory to the convention, which was pioneered in the Kingdom by the RSCN, Jordan committed itself to protect Azraq," he said. "Despite this, abuse of the area started at the same time."

He stated that "thanks to the existence of the Ramsa Convention, the concern of certain members of the public, as well as national and international environmentalists, the AOCP came to life, with the basic mission of at least rehabilitating the lakes of Azraq."

In 1993, the UNDP resolved to use financing available through the Global Environment Facility (GEF) to address the ecological crisis in Azraq.

"The degradation of the Azraq basin was caused by the many water claimants. Nobody accounted for others' needs, there was no communication and a tragedy in the public domain arose," said Dr. Fariz.

He continued by saying that, in recognition of this failure, the AOCP decided to structure its programme around the importance of water management.

The AOCP's programme, therefore, encompassed discussion and cooperation between the Ministry of Municipal, Rural Affairs and the Environment, the Ministry of Water and Irrigation, the Ministry of Agriculture, the RSCN and

the University of Jordan.

These institutions were joined by permanent staff of the AOCP, and national and international consultants, under the environmental umbrella.

Dr. Fariz elucidated that in their quest to supply Amman and surrounding towns with more water, the responsible parties concentrated excessive pumping on the main fresh water vein in the basin, without first embarking on an environmental impact assessment.

By exclusively pumping fresh water to the city in this way, the balance in pressure between the brine and fresh water aquifers was seriously damaged leading to the threat of salination of the all the water in Azraq.

Dr. Fariz described Amman as the "black hole" which swallowed up Azraq's water resources and which caused the movement of the saline front.

For this reason it was agreed that the huge pipeline which was installed for supply of water to the city should be used to re-pump water back into the lakes of Azraq.

This procedure continues and the movement of the saline front across the basin has been slowed.

In 1994 the AOCP initiated a massive clean-up operation in the basin to open up the wadis and maximise the flow of water from springs and rivers to the lakes of the wetlands, preparing the area for rains.

The AOCP collaborated with the Ministry of Water and Irrigation to establish a management plan which would be socially, politically and economically adaptable to the Kingdom.

"We endeavoured to establish a management plan which would ensure that each hucket of water in the country was accounted for. Water quality models and water transport models were scrutinised so that they would be as environmentally sound as possible," Dr. Fariz said.

Extensive soil surveys were undertaken in cooperation with the Ministry of Agriculture to determine soil salinity and soil capabilities in the basin. "Management plans of what to cultivate where for the most efficient use of water were created," he added.

In cooperation with the University of Jordan, an environmental impact assessment manual was produced. "This manual constitutes a checklist of tests and formalities which should be undertaken weekly, monthly or yearly until the year 2000 in order to guarantee sustainability in the Azraq basin."

Dr. Fariz concluded his lecture by asserting that the long-term future of the Azraq basin will ultimately depend on continued public awareness and continued cooperation between the aforementioned national institutions, saying that the lesson to be learnt is that "nature will take revenge if we misuse it."

## Group urges establishment of body to deal with child abuse in Kingdom

By Francesca Ciriaci  
Special to the Jordan Times

AMMAN — A professional group of experts involved in child care, development and protection has pledged its commitment to establish an independent body to which cases of child abuse can be reported and referred.

This "child protection unit" should be "decentralised, with offices all over the Kingdom," and its establishment should be initiated before the end of 1997, representatives from the ministries of health, social development and Planning as well as the Public Security Department officers and representatives from United Nations and non-governmental organisations (NGOs) said Thursday.

If abuse is suspected or if there is reason for concern in relation to a child, the referral and reporting mechanisms provided by the projected unit will allow for investigation, assessment and support of the child and family in a way which would be effective while maintaining individual rights.

Increased cases of emotional, physical, and sexual child abuse or neglect are being reported globally, and Jordan is no exception. According to a 1992-1993 United Nations Children Fund (UNICEF) report on "the state of the Jordanian child," cases of child abuse are thought to be on the increase, especially due to stress imposed by negative economic circumstances.

"Sometimes children are brought in (to the hospital) for accidental injuries and only later would doctors recognise signs of deliberate abuse," said Frial Hayajneh, lecturer at Irbid University Science of and Technology and previous supervisor of the emergency department at the Amman University Hospital.

She recalled the case of a four-year old boy who was hospitalised after having been hit by a car in the street. In treating his injuries, the doctor at the emergency department recognised obvious signs of recent sexual abuse. After the child was encouraged to disclose, he told the emergency staff that he had been hit by the car while trying to escape from his uncle, who sexually abused him

on a regular basis.

"Sometimes parents bring in their deceased child and show no emotion whatsoever," Dr. Hayajneh said. "In most of these cases, signs of abuse were blatant on the little dead bodies."

The resolution to establish a special child protection unit was taken as one of the final deliberations of a three-day workshop on "Child Abuse and Protection" organised by the Jordan River for Development Projects (JRDP) in cooperation with the British Council and the British embassy in Amman.

The workshop, which closed on Thursday, was held under the patronage of HRH Princess Rania Abdullah, who is also president of the JRDP.

The child protection project, recently initiated under the umbrella of the JRDP, is managed by Lena Hussein.

Praising Princess Rania for her courageous effort in tackling a socially and culturally sensitive issue, Director of the British Council, Jordan David Burton emphasised that "people at the top provide guidance and stimulus" for such projects.

In their final recommendations, the participants in the workshop called for:

- The introduction of special laws to protect children and those who report child abuse.

- The establishment of a separate body to which child abuse would be reported and referred.

- The establishment of counselling centres, throughout the Kingdom and especially in underprivileged areas, where poverty and ignorance are considered predisposing factors for child abuse.

- Raising awareness of children's rights and abuse, through public awareness campaigns.

- The introduction of family support services for the prevention of child abuse.

The workshop was facilitated by two British experts familiar with child abuse issues from the legal, educational and medical points of view: Senior lecturer in primary education, Dominic Wyse, and Deputy Director of the School of Health Angela Harwin, both from Liverpool John Moores University.

Through information sessions, slide presentations, group discussions and research reviews, partici-

pants were taught to categorise, identify and recognise different types of child abuse and its subsequent effects.

"Of course there are no hard and fast rules in the identification of abuse. A child may be abused with no outward signs apparent even to those who know him or her well," Ms. Harwin told the workshop.

"What is important is that those working with children know what they should be looking for and what they should be concerned about," she added.

Drawing precise skin maps, the facilitators instructed participants on how to recognise the positioning and nature of non-accidental physical injuries: finger tip bruising, stick or strap marks, while, they said, black eyes are rarely caused by a fall and two black eyes can only be the result of deliberate abuse.

Unlike physical abuse, sexual abuse may not be manifested in outward signs.

"In the older child, sexual abuse is more likely to manifest itself in behavioural and/or psychological problems, including a sexual awareness inappropriate to the child's age, withdrawal, conduct disorders and academic under-achieving," Mr. Wyse said.

Self-destructiveness and lack of self-esteem may also be indicators of physical, sexual or emotional abuse, Mr. Wyse and Ms. Harwin emphasised.

In terms of neglect, they stated that "it needs to be viewed subjectively, taking the child's and family circumstances into account."

However, stunted growth, constant hunger, scavenging or stealing may be due to poor nutrition as well as poor personal hygiene resulting in skin disorders, ragged clothing and emaciation may all be signs of domestic neglect.

Poor parenting skills were also deemed by most participants as a possible factor which could impede a child's normal and happy growth, if not lead to abuse.

Stressing the need for increasing awareness of child development and the importance of parenting skills, psychologist Iman Abu Hatab, from the Institute for Child Health and Development of the Noor Al Hussein Foundation (NHF), said "sometimes parents punish children for

simply the normal roughness and curiosity of childhood."

She recalled a recent case, reported by various Arabic dailies, of a girl from Zarqa who died as a result of her father locking her in a dark cellar.

Lieutenant Colonel Bashir Bilbeisi called upon his fellow participants in the workshop for information exchanges between school counsellors and the local police chief.

"If the neighbours suspect or are aware that child abuse is being committed in a home, the police can take action on allegations of civic disturbance, if screaming or other loud noise occurs," he told the Jordan Times.

The person who files a report will then be treated as an informant and the police can start interrogating family members. Afterwards, he said, if forensic doctors have proved abuse, a court case could ensue.

And it's exactly here that the Jordanian system fails and problems begin, participants agreed.

Strongly attacking the inadequacy of the current penal code, according to which only the victim can file a case against the offender, they called for special legislation to deal with cases of child abuse and listed it as the first priority on their final recommendations.

"They promised a new law on child abuse three years ago, but nothing has yet been enacted," complained Dr. Janette Abud of the National Task Force for Women.

Many participants expressed their feeling that their efforts, however dedicated and untiring, can only reach a certain point, but that the government and the legislators must complete such efforts, introducing effective and comprehensive laws tackling child and domestic abuse issues.

In reply to His Majesty King Hussein's letter of designation two weeks ago, Prime Minister Abdul Salam Majali promised to "take inspiration from (the King's) love and determination to work to ensure that we offer all help to the weak... responding to their needs."

The public, and, most importantly, the children, are waiting.

## What's Going On

### LECTURE

\* "Forms of Alliance Among the Countries of the South" (in Arabic) by Hilmi Sha'rawi at Abdul Hameed Shoman Foundation, Jabal Amman at 6:00 p.m.

### EXHIBITIONS

\* Artworks by Egyptian artist Jamil Shafiq entitled "Black and White" at Baladna Art Gallery, Gardens Street (Tel. 687598), until April 10. (The artist will be at Baladna Gallery on Saturday March 29 to sign limited copies of prints of his work).


\* Display of products by Jordan Design and Trade Centre of Noor Al Hussein Foundation, Wadi Sagra (Tel. 699141/2), until March 30.

\* Paintings by Saadi Dawood at the Orient Gallery, Issam Ajlouni St., Shmeisani, until March 31.

\* Spring exhibition 1997 at Orfali Art Gallery Umm Utheina, until April 6.

\* Artworks by Mohammad Ali Shaker at the French Cultural Centre, Jabal Weibdeh until March 31.

\* Works by Paris-based Syrian artist Ziad Dalloul at Darat Al Founn, Jabal Weibdeh, until April 3. Also displaying works by contemporary Arab artists.



**DAY FIVE**

**UNDER THE PATRONAGE OF HER ROYAL HIGHNESS  
PRINCESS RANIA AL-ABDULLAH**

**JORDAN RIVER FOR DEVELOPMENT PROJECTS**

**Is organizing a fund raising campaign:-**

**Cloths, toys, books, non-perishable foods, monetary contributions and anything that will put a smile on a child's face will be collected**



**From March 25 until April 3, 1997  
Between 8:00am - 7:00pm**

**Donated gifts could be sent to one of the following locations:-**  
**Jordan River Designs showroom (See map), Al Abila Ahela -**  
**McDonald's (Mecca St.) - Iman Early Learning Center (Abdoun) - Safeway -**  
**Fakherdin Restaurant - Aramex (Mecca St./Infront of Dahiat Al Hussien) -**  
**Aramex (Irbid)**

**Or you can deposit your contribution to:-**  
**A special Jordan River for Development Projects' bank account number 48/50493/20**  
**At The Arab Jordan Investment Bank**

**Following, allocated funds will be distributed all over the kingdom between April 6 until April 15, 1997**  
**An account of what is contributed will appear daily in local newspapers**

**We hope you will join us in making this Eid one to remember for our needy children, even if it means a sacrifice.**

**For further information call 613081 or Fax 613083**

**Notes:**  
 • Items should be clean and in a good condition  
 • When sending a parcel, kindly attach a brief description with a recommended age or size.



# U.S. suicide cult autopsies begin; leader may be dead

RANCHO SANTA FE, California (R) — Coroners Friday carried out autopsies on 39 members of a UFO death cult amid reports the group's leader may have perished in America's worst mass suicide.

Officials with the San Diego County Medical Examiner's Office said at least eight autopsies had been finished by Thursday evening and as many as six families had been notified.

Police said they would not identify victims until that process was complete.

Meanwhile, bizarre details continued to emerge about the cult, known as "Heaven's Gate," and its presumed leader Marshall Applewhite.

CBS said Applewhite, who in the cult went by the name "Doe," was among the victims found late Wednesday in the \$1.6 million mansion outside San Diego from which they ran a successful business designing Internet web sites.

According to friends, Applewhite was a former music teacher in Houston during the late 1960s.

"He was a wonderful person and a wonderful teacher," said one woman who knew him. "He made quite a contribution."

That music teacher Thursday was being fingered as the leader of a California cult built on the belief that a UFO would transport members to heaven once they had discarded the earthly "container" of their bodies.

Television networks scrambled to find footage of

Applewhite, some dating as far back as 1974, in which he spoke of resurrection, outer space and cosmic destiny.

Applewhite's vision apparently took on a new urgency with the arrival of the comet Hale Bopp, which authorities believed spurred the group to put its suicide plan into action.

"You can follow us, but you cannot stay here and follow us," he said in one recent videotape shown on television.

On Thursday, police laid out the elaborate plan the cult members followed leading up to their deaths, which the followers evidently believed would allow them to link up with a UFO travelling in the comet's wake.

Police said every detail was carefully scripted, right down to the clothes the victims wore and the purple shrouds that were used to cover their faces.

"All indications are that this was an immaculately planned mass suicide," San Diego County Medical Examiner Brian Blackbourne said.

The 21 women and 18 men, between the ages of 18 and 72, were dressed in black pants, black athletic shoes and black shirts with a large pocket, according to police. In some cases, the victims had identification, money and recipes for how to carry out their deadly plan.

Mr. Blackbourne said cult members ate a deadly mixture of pudding or apple

source laced with phenobarbital, washed it down with vodka and stretched out on beds to rest.

Police believe the victims may have also put plastic bags over their heads to die faster.

Mr. Blackbourne said some cult members stayed behind to remove the plastic bags, drape the dead in purple, triangular-shaped shrouds and clean up. Then, with their job complete, the last two remaining cultists repeated the deadly ritual, placed the plastic bags on their heads and lay down to die.

According to documents found on the bodies, the victims came from California, Texas, New Mexico, Florida, Colorado, Arizona, Washington, Minnesota, Utah and Canada. Mr. Blackbourne said.

In addition, the medical examiner said each cult member had a carefully packed bag at the ends of the beds, bunks or cots in which he or she died. Each person was also found with a single \$5 bill plus a number of quarters.

The bodies were discovered Wednesday by Beverly Hills computer expert Nick Matzorkis and one of his employees, a former member of the group identified only as Rio. The employee received a packet from the group containing a letter saying its members had committed suicide.

Mr. Matzorkis, owner of Interact Entertainment of Beverly Hills, said the package also contained two vi-

deotapes showing the members saying goodbye and that they appeared happy about their decision.

According to the letter and the videotapes, he said, the cult members believed "that they were going to be taken away by, as odd as this sounds, I'm just telling you what I heard, by a UFO, that a UFO would come by and pick them up."

He said he had met about 15 members of the group told him the spaceship was hiding behind the Hale-Bopp comet as it neared Earth.

A message on one of the group's Internet pages, called "Heaven's Gate," said, in part, "whether Hale-Bopp has a 'companion' or not is irrelevant from our perspective."

"However, its arrival is joyously very significant to us at 'Heaven's Gate,' the joy is that our older member in the evolutionary level above humans (the 'Kingdom of Heaven') has made it clear to us that Hale-Bopp's approach is the 'marker' we've been waiting for — the time for the arrival of the spacecraft from the level above human to take us home to 'their world' — in the literal heavens."

"Our 22 years of classroom here on planet Earth is finally coming to conclusion — 'graduation' from the human evolutionary level. We are happily prepared to leave 'this world' and go with TI's crew."



A San Diego County coroner's office employee drives a forklift carrying two of 39 suicide victims to a refrigerated trailer at the county medical examiners office after a mass suicide in the Rancho Santa Fe area of Encinitas, California. 39 male and female members of the Higher Power cult committed suicide in a multi-million dollar mansion in the posh community south of Los Angeles (Reuters photo).

## Azeri president attacks Armenia

PARIS (R) — President Haydar Aliyev of Azerbaijan attacked the appointment of a politician from Nagorno-Karabakh as Armenian prime minister Thursday on the eve of talks with the Armenian president in Moscow.

On a one-day visit to Paris, Mr. Aliyev discussed the conflict between his country and Armenia over the ethnic Armenian region of Azerbaijan with President Jacques Chirac and welcomed French mediation efforts.

He told reporters he had agreed to meet Armenian President Levon Ter-Petrosyan in Moscow Friday after both men attend a summit of former Soviet republics grouped in the Commonwealth of Independent States (CIS).

Asked about the appointment of the leader of Karabakh's Armenian community, Robert Kocharyan, as Armenian Prime Minister, Mr. Aliyev said: "This is an extraordinarily negative factor."

He said Mr. Chirac had agreed with him that Mr. Kocharyan could not simultaneously hold both the position of president of the Armenian community of Karabakh and prime minister of Armenia.

Mr. Aliyev said Mr. Kocharyan was not even an Armenian citizen.

He also criticized the continued presence of Russian troops in Armenia and Georgia, saying such a deployment was especially unnecessary in the light of Moscow's economic problems.

"The fact that we refused to keep Russian troops on our soil proves our policy of independence... There is no need today for Russian troops on Azerbaijani soil, nor do I think there is a reason to have them on Armenian or Georgian territory," he said.

"I don't think it's right and I even protest against that."

France is one of three co-chairmen of the so-called Minsk Group mandated by the Organisation for Security and Cooperation in Europe to seek a solution to the Nagorno-Karabakh conflict.

French Foreign Minister Hervé De Charette is to travel to Baku, Yerevan and Turkey next week to promote peace efforts.

After meeting Mr. Aliyev, he told reporters that France, Russia and the United States, the three co-chairmen, were united in their determination to find an equitable solution soon.

"Nothing is more important than advancing a solution to the problem of Nagorno-Karabakh," he said.

## CIS leaders begin summit more divided than united

MOSCOW (R) — Leaders of the Commonwealth of Independent States (CIS), which rose from the ashes of the Soviet Union, sat down in the Kremlin Friday for a summit likely to be marked as much by divisions as unity.

The meeting is likely to last just three hours, the Russian Presidential Press Service said. It will be followed by a news conference.

The heads of the 12 member states, whose prime ministers met in Moscow Thursday, plan to look at ways to develop economic integration. The meeting was postponed twice while Russian President Boris Yeltsin was recovering from health problems.

Ukrainian President Leonid Kuchma underlined the differences between the former Soviet republics on the eve of the summit by saying the group remained vague and divided, and that he saw little hope of a breakthrough.

"I think that today not a single representative of the countries in the Commonwealth is satisfied by the results of its activities, because there aren't any," Mr. Kuchma told a news conference in the Russian capital.

"The Commonwealth is quite amorphous, not that which had been envisaged

at the very beginning." Ukraine is one of the more sceptical members of the CIS, which comprises all the former Soviet republics except the three Baltic states of Estonia, Latvia and Lithuania. It was formed after the Soviet Union's collapse in 1991.

The CIS includes some countries which favour rapid integration, such as Russia and Belarus, some which favour somewhat slower moves, such as Kazakhstan and Kyrgyzstan, and others who have taken few concrete steps for fast integration.

Economic reform is also proceeding at different speeds in the various member states and living standards vary widely.

Some of the countries resent what they regard as Russian domination. "When each country has certain privileges within the Commonwealth I think it doesn't foster the mood of togetherness," Mr. Kuchma said.

Liberal Russian newspaper Sevodnya said Friday: "There is a serious danger the stated goals, put no matter how prettily but as non-binding concepts, risk remaining only on paper."

Russian officials accuse some of the other member states of trying to create their own economic and military unions which hinder integra-

tion by the group as a whole. The leaders, meeting after their prime ministers held talks Thursday, plan to discuss creating a "single economic space" which would include free trade zones, a vast customs union and integrated energy and transport systems.

Conflicts in the former Soviet Union are also likely to be raised, including whether to extend the mandate for CIS peacekeeping troops in the Central Asian state of Tajikistan.

Georgia has said it will raise the issue of Russian peacekeeping forces in its breakaway region of Abkhazia. It wants the troops to do more or leave and requires significant changes to the 2,500-strong force's mandate.

Separatists in Abkhazia want no change in the status of the peacekeeping force.

Even the states keen on rapid integration, Russia and Belarus, are not finding it easy going. They are due to sign an agreement next week on closer ties based on a "commonwealth" of two states which they agreed on a year ago.

But Belarus expelled a journalist working for a Russian television network Thursday, despite the Kremlin expressing concern that media freedoms were being restricted by Minsk.

## Russia extradites Azeri ex-premier to Baku

BAKU (R) — Former Azeri Prime Minister Suret Guseynov, extradited from Russia after a long campaign by Baku, arrived here to face charges of treason and armed rebellion and a possible death penalty.

Security officials said Mr. Guseynov, the most wanted man in Azerbaijan for allegedly plotting an attempted coup against President Haydar Aliyev in 1994, arrived in handcuffs on a scheduled plane from Moscow at 5 a.m. (0100 GMT).

They added that he was arrested near the central Russian town of Tula on March 20.

Azeri officials also accuse Mr. Guseynov, 39, appointed premier by Mr. Aliyev in July 1993, of involvement in an attempted coup in 1995 and of trying to organize a 1996 attempt on the

life of the 73-year-old leader, in which a group of assailants allegedly planned to shoot down his presidential plane.

The Azeri government had been seeking Mr. Guseynov's extradition for more than two years and his continued presence in Russia was a major stumbling block to improving generally poor ties between the two countries since the breakup of the Soviet Union in 1991.

Political analysts said the timing of the extradition was significant, showing that Moscow wanted to improve relations before Friday's summit of the leaders of the Commonwealth of Independent States, a loose union of 12 former Soviet republics.

The shadowy, slender Guseynov reportedly became a millionaire under Commu-

nism in the 1980s when he ran a wool-processing plant in the Azeri town of Yevlax.

He parlayed his economic clout into political power, commanding a private militia which helped overthrow democratically elected President Abulfaz Elchibey in 1993.

Mr. Guseynov's photograph graces most wanted lists across the former Soviet Republic and Baku has been pressing Moscow to find and extradite him.

Azeri officials say Moscow abetted Mr. Guseynov in his attempts to overthrow Mr. Aliyev, because it saw him as too pro-Western and unwilling to give Russia more of a role in lucrative offshore Caspian Sea oil projects.

Russia has always strenuously denied the charges.

## Australia premier to redefine China links

SHANGHAI (R) — Australia's prime minister arrives in China Friday to redefine Canberra as a friend of Beijing, which less than a year ago accused Australia of being party to U.S. attempts to contain China, business sources said.

John Howard wants to let China know that the business of Australia is business, said Bruce Dover, general manager of PDN-Xinren Information Technology Co., a joint venture of media giant News Corp.

and Chinese Communist Party newspaper People's Daily providing online computer technology information.

"I think the Chinese have made it clear that if you want to do business, then business becomes the business of government and that should be the priority," Mr. Dover said.

Sino-Australian relations, warm throughout the 13-year reign of the Australian Labour Party, started to chill once Mr. Howard's Liberal Party took over from

Labour in elections in March 1996.

The relationship began to sour soon after the elections with the cancellation of a financial support scheme for Australian business in developing countries followed in September by a visit to Australia by Tibet's spiritual leader, the Dalai Lama.

The nadir came in August 1996 when China accused Australia of moving too close to the United States.

## Deported Bosnians say they have nowhere to go

SARAJEVO (R) — Disraught Bosnian refugees said Friday that German authorities gave them no warning before deporting them back to Bosnia this week and said they had no way of returning safely to their pre-war homes.

Justif Njukić and his wife Sadržer said they were shocked when Bavarian police arrived at their home in the early morning hours and told them they would be deported.

"They came at three o'clock in the morning. They said we had ten minutes to pack our things," said Sadržer Njukić, 49.

"I threw clothes on over my pyjamas. We left all our things behind," she said.

The Muslim couple was among 44 Bosnians deported to Bosnia Tuesday on a flight from Munich to Sarajevo as part of a phased deportation of Bosnians announced by German authorities.

The U.N. High Commissioner for Refugees sharply criticised Germany Wednesday for its handling of the deportation, saying authori-

ties had failed to ensure that all the refugees could safely return to their homes.

It was the second time the Njukić family was forced to leave their home and possessions behind. They were expelled from their house two years ago in the north-east Bosnian town of Janja by conquering Serb forces during the Yugoslav conflict.

Janja still lies in Serb-controlled territory and Bosnian Serb authorities — intent on preserving the results of "ethnic cleansing" — have blocked attempts by Muslim or Croat refugees to move back.

Mr. Njukić said he was determined to return to his home eventually, but acknowledged there was no prospect of that happening anytime soon.

"We have nowhere to go," he said, sitting in a temporary refugee shelter in the village of Srednje, outside Sarajevo.

Mr. Njukić, his wife and two sons sought and obtained asylum in Germany in 1994. Mr. Njukić said he was thankful for the hous-

ing and financial assistance provided by the German government during his two-year stay.

"They were good to accept us. Everything was fine until the end. I can't understand why they took us away," said his wife, who began to weep as she recounted her experience.

"The police had dogs and made us queue up like we were criminals," she said.

Mr. Njukić said there had been rumours that Bavarian authorities were preparing to deport refugees. Their youngest son was deported a month ago after he got into a minor traffic accident.

Their older son was told by German authorities that he and his family, including his six-month old baby, must return to Bosnia by April 1.

Since a peace treaty halted fighting in Bosnia in November 1995, Germany has warned that it could not allow more than 300,000 refugees from former Yugoslavia to stay in the country indefinitely.

The German embassy in Sarajevo denied the refu-

gees were deported without warning and said authorities had tried to delay the deportations until winter had passed.

A spokesman for the embassy, quoted by the Sarajevo daily Oslobođenje Wednesday, said that Germany could not afford to support refugees from Bosnia and elsewhere when its own citizens were suffering from a "social crisis" caused by high unemployment.

Germany has accepted more refugees from former Yugoslavia than any other European state. But aid workers expressed concern that Bonn risked damaging its generous reputation if it pushed out refugees before conditions were ripe in Bosnia.

Although Serb, Croat and Muslim armies have stopped fighting, Bosnia remains divided into ethnic ghettos enforced by nationalistic authorities.

Human rights monitors have reported fresh expulsions of minorities since the peace treaty was signed more than a year ago, mainly in Croat-controlled western Mostar.

## India, Pakistan break three-year silence

NEW DELHI (AFP) — Arch-rivals India and Pakistan sat down at the negotiating table for the first time in three years here Friday with a dispute over Kashmir high on the agenda.

Hundreds of armed police ringed the venue where India's Foreign Secretary Salman Haider and his Pakistani opposite number Shamshad Ahmad began talks at 4:00 p.m. (1030 GMT).

Mr. Haider, however, refused to respond to Mr. Ahmad's assertion that the Kashmir dispute would be the "core issue" during the four days of negotiations.

The Indian official said: "There will be no response about the Pakistan foreign secretary's statement."

"I am going to say nothing at all. We want to start the dialogue without any problems."

The two neighbours, who have fought two of their three wars since independence in 1947 over the disputed Himalayan territory, broke off official dialogue in 1994 amid growing acrimony.

The current talks, if successful, are expected to pave the way to a foreign minister-level meeting next month, followed by a possible prime ministerial head-to-head later in the year.

The two nations, however, went into the talks with widely contrasting approaches.

Mr. Ahmad arrived here Thursday to say that Pakistan was "absolutely clear that there is an urgent need to meaningfully address all outstanding issues, particularly the core issue of Jammu and Kashmir."

He added that "the time is propitious for us to seize this opportunity for removing the root cause of tension between Pakistan and India."

Indian leaders, however, focussed on improving bilateral ties and trade before the meeting. Prime Minister H.D. Deve Gowda recently reaffirmed that Kashmir, a Muslim-majority territory whose Hindu ruler opted to join India after the end of British colonial rule, was an integral part of India.

Both countries control parts of Kashmir, which is sand-

wiched between them. A Muslim separatist campaign in Indian-administered Kashmir has left around 20,000 dead since 1989. India accuses its neighbour of fuelling the violence, a charge Islamabad denies.

Earlier Friday three Kashmiri separatist leaders and 37 of their supporters were arrested in the Indian capital after trying to march to the talks venue at Hyderabad House to protest against their exclusion.

The influential All Parties Freedom Conference, grouping some 30 Kashmiri Muslim political and militant organisations opposed to Indian rule, said Kashmir's chief Muslim cleric Umer Farooq was among those detained.

Freedom Conference spokesman Shakeel Bakshi said the talks were "meaningless," adding: "The Kashmir issue is not a bilateral one — it can only be solved through tripartite talks."

A Freedom Conference-sponsored general strike against the talks crippled Kashmir Friday with shops, offices and schools closed across the troubled valley.

Former Indian Foreign Secretary Jyotindra Nath Dixit, meanwhile, who led India's delegation during the last official talks with Pakistan in Islamabad in 1994, said he did not expect any major agreements but added: "The very fact that they are taking place is a good thing."

"The only result I expect is, tentatively, that they will hope to continue the dialogue. That would be a success and a tactical move forward."

He argued, however, that it was time for Pakistan to "become reasonable" and said they had been trying to bring about change in Kashmir through "clandestine, militant means" for the past 50 years.

Three Kashmiri separatist leaders and a group of supporters were detained by police Friday ahead of the talks, police said.

The Freedom Conference said Kashmir's chief muslim cleric was among those detained. Another 37 activists were arrested after the protestors demanded that they should be included in the talks.



# Zaire rebels say talks next week in S. Africa

GOMA, Zaire (R) — Zairean rebels said Friday that talks with representatives of President Mobutu Sese Seko would start in South Africa early next week and aid workers said they had found 75,000 refugees in eastern Zaire, many too weak to walk.

"If nothing changes, then the talks will be in South Africa and will begin on either Monday or Tuesday," Moise Nyarugabo, secretary-general at rebel headquarters, told Reuters in the eastern city of Goma.

In Johannesburg, a government source confirmed that South Africa had been asked to host peace talks and said senior Foreign Ministry officials had started laying the groundwork for negotiations, likely to take place on Monday or Tuesday.

Mr. Nyarugabo said the essential issue would be to negotiate the transfer of power from the ailing Mobutu to a transitional government led by the rebel Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL) led by Laurent Kabila.

"It is not a matter of punishing Mobutu, his crimes are so great. After leaving power he may be able to continue to live inside the country and see how it will be transformed when he is gone," Mr. Nyarugabo said.

The rebels, who control a quarter of the sprawling central African nation, took up arms in October vowing to topple Mr. Mobutu while the veteran leader was in Europe recovering from prostate cancer surgery.

The revolt has weakened Mr. Mobutu's grip on the former Belgian colony he has dominated since seizing power in 1965. He returned home a week ago after fresh cancer treatment in Europe.

The rebels insist a ceasefire can be declared only after negotiations have begun.

An Organisation of African Unity (OAU) summit in Lome, Togo, Wednesday

and Thursday brought together representatives of the warring parties for the first time and they agreed on talks.

The summit closed by calling on both sides to hold immediate talks leading to a ceasefire — a moral victory for the rebels.

The summit communiqué said Thursday that a date for negotiations and a ceasefire would be announced after the two Zairean delegations had consulted their respective parties.

It urged all players to throw their weight behind a peace plan formulated by U.N. and OAU special envoy Mohammad Sahnoun.

Asked Friday in Goma whether a simultaneous ceasefire and talks would be possible, Mr. Nyarugabo said: "Our position remains that a ceasefire has to be negotiated."

"The principle is the alliance would form the government, it is not a question of power-sharing. Mobutu's party has been in power for

30 years and the results are evident," he said.

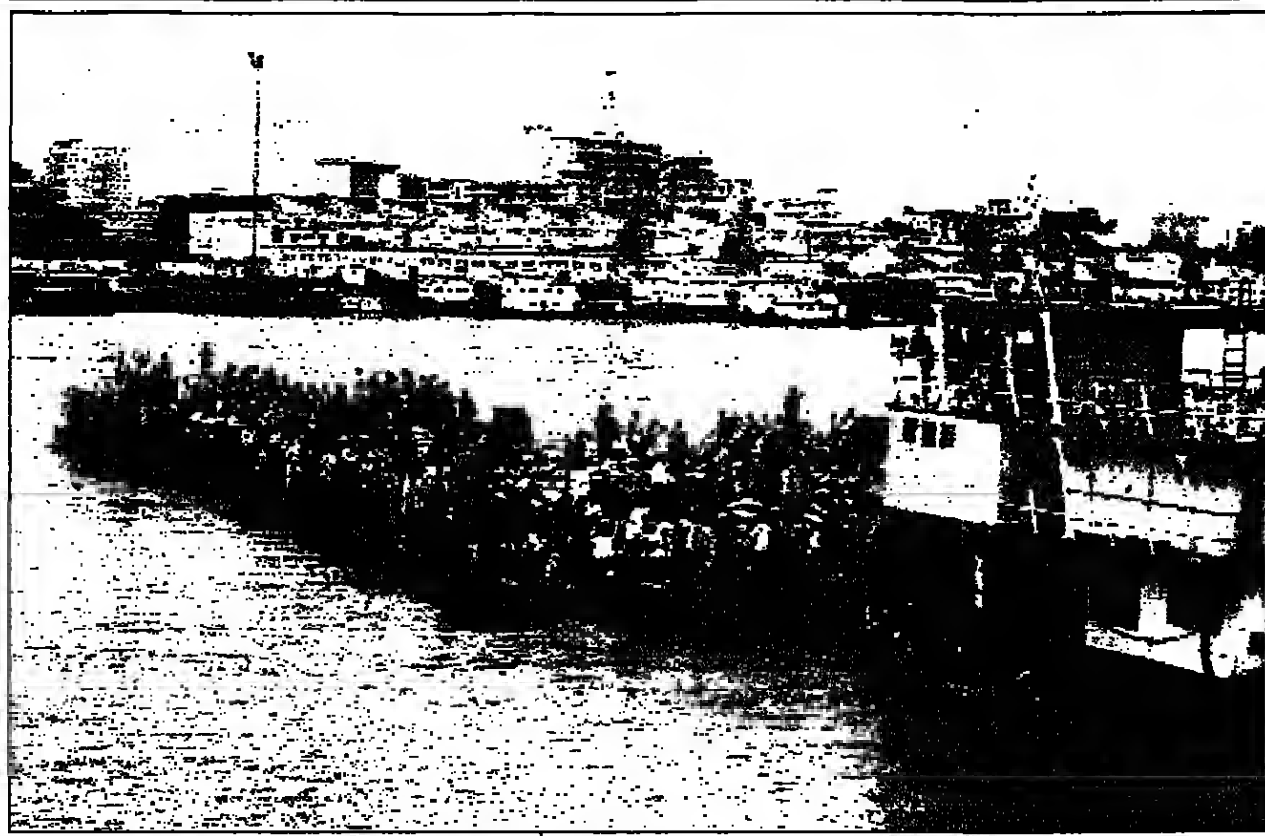
In the northeast Zairean capital of Kisangani, aid workers said more than 75,000 exhausted, hungry and sick refugees were scattered on the sides of an 82-kilometre stretch of railway line to the south.

Paul Stromberg, spokesman for the U.N. High Commissioner for Refugees, said the Hutu refugees were found Thursday by aid workers aboard a train carrying food south of the city.

"There are perhaps 25,000 at Lulu, seven kilometres south, and 25,000 at Kaseka at kilometre 25 and another 25,000 at Biaro at kilometre 40 with groups in between," he said.

"They are in progressively worse condition the farther you go from Kisangani. Besides those with malnutrition and exhaustion there are some wounded at kilometre 40," he added.

The tens of thousands of Rwandan and Burundian Hutu refugees on the rail-



Zairean refugees are packed with their belongings on a barge as it is about to dock at Kinshasa Port. It took the refugees over two weeks on the Zaire river to get to Kinshasa, after Kisangani fell into rebel hands (Reuters photo)

way route south of Kisangani are the remnants of 170,000 who fled Tingi Tingi and Amisi this month and have been trekking ever deeper into eastern Zaire for up to five months.

"(At Kaseka) I saw the most emaciated people I've ever seen in my life," said a representative of Refugees International on the train.

"Many of these people won't last another day without urgent medical attention."

Zairean rebels have taken the town of Kasenga, bringing them within 220 kilometres of Lubumbashi, the country's second city and the copper capital, expatriate and local sources said Friday.

"It is definitely rebel troops who are in control of Kasenga," said one source with contacts in the town that lies to the south of Lake Mweru, on the border with Zambia.

The expatriates, who declined to be identified, said the Zairean army had fled south and there were wounded people in Kasenga after

clashes late Thursday. It was unclear whether the clashes involved fighting between the two sides or looting by Zairean troops before they fled southwards towards Lubumbashi.

Zairean military sources confirmed the town's fall, according to one well-connected Lubumbashi businessman.

## Gore arrives in S. Korea for talks

SEOUL (R) — U.S. Vice-President Al Gore arrived in South Korea Friday for talks expected to focus on efforts to bring North Korea into four-nation peace talks.

Fresh from a five-day visit to China, he was whisked straight to the national cemetery where he honoured South Korea's war dead in a simple but moving ceremony, placing a wreath at a memorial and adding three pinches of incense to an Eternal Flame.

A central part of Mr. Gore's mission was to discuss luring North Korea into talks with South Korea, the United States and China, aimed at securing a lasting peace to replace the armistice that ended the 1950-1953 Korean War.

Mr. Gore was to meet with Prime Minister Koh Kun Friday night and Saturday hold talks with President Kim Young-Sam.

After discussions at the presidential Blue House, Mr. Gore was to visit the demilitarised zone separating the North and South and meet some of the 37,000 U.S. troops stationed in South Korea.

Officials in Seoul said Thursday that impoverished North Korea had agreed to join the proposed four-way talks if the United States and South Korea guaranteed food aid.

North Korea made its offer at a working-level meeting in New York Wednesday between officials from the two Koreas and the United States, the officials said.

It was Pyongyang's first formal response to the proposal for talks made last April by U.S. President Bill Clinton and Seoul's President Kim.

International aid agencies say North Korea, devastated by two consecutive years of floods, is weeks away from starvation. Seoul officials say that by linking food aid to the talks, Pyongyang had revealed its desperation.

Wednesday's meeting in New York was the first working-level contact since senior representatives from the United States and South Korea met North Korean diplomats for a briefing on the talks earlier this month.

In the past, Washington has said it was concerned about the plight of North Koreans and indicated a willingness to provide humanitarian relief.

U.S. officials travelling with Mr. Gore said the vice-president discussed the four-way talks during his closed-door meetings in Beijing with President Jiang Zemin and Prime Minister Li Peng.

The officials declined to discuss the private conversations, but one official

said, "we are hopeful things are moving in the right direction."

Mr. Gore began his trip with discussions in Japan. He leaves Korea Saturday and returns to Washington.

Earlier Friday, Mr. Gore left Shanghai at the end of a five-day trip to China which U.S. officials said had helped to improve the often strained relations between the two powers.

Before flying out to Seoul, Mr. Gore had a breakfast meeting with 10 Chinese academics to discuss the state of Sino-U.S. relations and political issues in China, U.S. officials said.

Mr. Gore's press Secretary Ginny Teranzo said the vice-president met Chinese academics "to discuss the political situation in China," but declined to give any details of the talk or to identify the academics involved.

Mr. Gore had two days of tough talks with Chinese leaders in Beijing earlier in the week covering the many sensitive issues which continue to dog relations between the two countries, including human rights, trade and Taiwan.

President Clinton in Washington said Thursday he believed the Gore trip to China had gone well and had validated his administration's policy of engagement with Beijing.

## Japan moves to improve ties with China

TOKYO (R) — Japan moved to improve ties with post-Deng China Friday by lifting a freeze on grant-in-aid, removing a thorn in relations strained by an islands dispute and a lingering World War II row.

Foreign Minister Yukihiko Ikeda, who travels to China Saturday for a two-day visit, announced Friday an end to the ban on grant-in-aid which was frozen in August 1995 when China conducted a nuclear weapons test.

Mr. Ikeda, the first senior Japanese official to visit China since paramount leader Deng Xiaoping's death, said he will sign a document in Beijing for a 1.7 billion yen (\$13.8 million) grant for a medical project in Nanjing that would mark resumption of the aid.

Japan froze the grants, worth about 7 billion yen (\$56.4 million) per year, as a mainly symbolic protest, saying China's nuclear test violated a moratorium on those tests.

However, the Japanese government did not touch the bulk of its aid to China, about \$80 billion yen (\$4.71 billion) in Yen loans planned for the 1996-1998 period.

In September 1996, more than a year after Japan suspended grant-in-aid, China signed the Comprehensive Test Ban Treaty (CTBT) at the United Nations and imposed a moratorium on nuclear testing.

Last year, a bitter dispute over a small group of uninhabited islets in the East China Sea and Prime Minister Ryutaro Hashimoto's visit to a controversial Tokyo war shrine rocked Japan's ties with China.

Chinese verbal attacks on Japan became so strong that Japanese foreign ministry officials described ties as the worst since relations were normalised in 1972.

The dispute over the islands, called Senkakus in Japanese and Diaoyus in Chinese, flared last year after a Japanese ultra-nationalist group erected a make-shift lighthouse on one of the islets.

Japan has claimed the islands since the 19th century but China says it has owned them for centuries. Taiwan also claims the islands.

The islands dispute triggered violent protests against Japan in Taiwan and Hong Kong last August.

The Japanese government moved to cool the row by promising China it would try to head off further actions by the ultra-nationalists.

## 5 U.S. senators arrive in N. Korea

SEOUL (AFP) — A U.S. Senate delegation, headed by Republican Ted Stevens, flew into Pyongyang Friday for high-level talks on bilateral issues after a dog-leg flight from Seoul.

The five U.S. Senators were greeted at Pyongyang Airport by North Korean Vice Foreign Minister Kim Kye-Gwan, who is also advisor to the Foreign Affairs Committee of the North Korean legislature, the Supreme People's Assembly, according to the Korean Central News Agency monitored in Tokyo.

The team left Seoul by military aircraft early Friday and was forced to make a detour through Japanese airspace because of the lack of an aviation agreement between the hostile North and the South.

Sen. Stevens, who is Senate Appropriations Committee chairman, and his team have been on a three-day visit here. They are expected to meet with senior North Korean Foreign Ministry officials, South Korean officials said.

On the agenda in the

Pyongyang talks are the North's dire food and fuel problems, repatriation of the remains of Americans missing in the 1950-53 Korean war and the setting up of liaison offices in each other's countries.

The possibility of North Korea agreeing to take part in proposed four-party talks to work out a permanent peace regime on the Korean peninsula could also be discussed, a South Korean Foreign Ministry spokesman said.

While in Seoul the team, which also includes Democrat Daniel Inoué, and Republicans Thad Cochran, Pat Roberts and Pete Domenici, met with South Korean President Kim Young-Sam and Foreign Minister Yoo Chong-Ha.

Meanwhile, South Korea Friday branded as "ridiculous" North Korea's demand for substantial food aid as a condition for peace talks but said Seoul would join humanitarian efforts to ease hunger in the impoverished nation.

A ship carrying 500 tonnes of flour left the

South Korean port of Incheon Friday for North Korea to deliver aid donated by South Korean religious groups. Seoul officials said.

Deputy National Unification Minister Lee Ho said Seoul could also discuss a large-scale food supply to North Korea once Pyongyang joined proposed four-nation peace talks.

The United States, which proposed the talks jointly with South Korea last April, has also declined to tie aid directly to the proposal.

"We have participated in international food aid to North Korea on humanitarian grounds and we will continue to do so. But large-scale government-to-government aid will be considered during the four-nation talks," Mr. Lee said.

International aid agencies say North Korea, devastated by two consecutive years of floods, is only weeks away from starvation.

Seoul officials said North Korea, in its first formal response to the peace talks that also include China, asked the United States and South Korea to guarantee

supplies to end Pyongyang's food shortage as a condition for its acceptance.

The North Korean suggestion was made in a New York meeting Wednesday among working-level officials from the two Koreas and the United States, they said.

"It is ridiculous for anybody to charge you for agreeing to a dialogue," said a senior foreign ministry official. "It is totally unacceptable. We'll never be able to get public support for financing such a deal."

He said hundreds of millions of dollars were needed to finance the supply of grain to meet food shortages in the North, estimated by the World Food Programme at 2.3 million tonnes this year.

The Foreign Ministry official said he foresaw a protracted diplomatic "battle of patience" as North Korea tried to link food aid to the peace talks and Seoul and Washington sought to convince Pyongyang to get to a peace table.

## Berisha meets European experts as U.N. mulls Albania force

TIRANA (R) — Albanian President Sali Berisha met European relief experts Friday and the government hoped separately for a quick U.N. decision to approve a multinational force to guard aid supplies after a slide towards chaos.

Mr. Berisha met a delegation headed by senior Dutch diplomat Jan De Marchant Et D'Ansembourg for talks in central Tirana on the crisis in the former Communist state tormented by gangsterism and insurrection.

United Nations Security Council members met informally late Thursday night in New York to consider an Italian request to send a force to help protect humanitarian aid shipments to Europe's poorest country.

But, while most delegations were in favour of endorsing a force in principle, they hesitated on giving quick approval without details of its mandate, its duration and who would pay, several council members said.

Greece, France, Spain, Portugal, Austria, Turkey and Romania have expressed willingness to take part. Italy has estimated that about 2,500 personnel would be deployed initially, with another 2,500 in reserve.

Meanwhile, Albanian police were investigating the killings of 18 people in a shootout in central Albania Thursday night, the worst bloodletting in two months of crisis, an Interior Ministry source said.

He said that a pile of 17 corpses were discovered in Levan, apparently a group of gunmen killed by local residents to avenge the shooting of a local leader. He said that 14 of the dead had been identified as coming from the southern towns of Vlore, Fier, Tepelene and Memaliaj.

Much of southern Albania is ruled by rebels or armed gangs who blame right-wing Berisha for the collapse of popular savings schemes in recent months in which thousands of people lost everything.

The killings added to a death toll of already well over 100 people. Most military depots have been looted and prisoners released. Most foreign nationals were evacuated this month.

The Organisation for Security and Cooperation in Europe (OSCE) Thursday asked the U.N. to consider endorsing a force comprising volunteer nations.

Diplomats said that passing the issue to the United Nations might delay app-

roval for any force and that the move reflected unease at the OSCE, especially by Russia, about endorsing use of armed missions to a member state.

Albanian officials have repeatedly urged the quick possible action by foreign nations to agree to a force to help protect ports.

Mr. D'Ansembourg has said any force could range up to about 3,000 personnel — police, gendarmes or military police.

He said he was "especially going to discuss the election issue with Mr. Berisha." Mr. Berisha signed a pact with a new unity government on March 9 calling for elections by June.

Mr. D'Ansembourg said Justice Minister Spartak Ngjela had suggested a slight delay, telling him that "June might be too early while August would be too late."

Also Friday, the International Committee of the Red Cross (ICRC) was renewing efforts to transport aid overland into southern Albania in a test of perilous roads held by bandits.

Two Red Cross vehicles returned into Greece after waiting in vain for several hours at a southern border post Thursday for word from relief workers that it was safe to cross.

## Avalanche buries at least 100 in Afghanistan

KABUL, Afghanistan (AP) — A mountain of snow crashed down on the northern Salang Highway burying at least 100 people, none of whom are believed to have survived, witnesses to the deadly avalanche said Thursday.

The victims were walking Wednesday toward the Salang tunnel to catch a bus to take them to the northern city of Mazar-i-Sharif when the rumbling began and the snow came crashing down on the highway, said Jan Abdul, a traveler who reached the beleaguered Afghan capital, some 130 kilometres south of the accident.

Chinese verbal attacks on Japan became so strong that Japanese foreign ministry officials described ties as the worst since relations were normalised in 1972.

The dispute over the islands, called Senkakus in Japanese and Diaoyus in Chinese, flared last year after a Japanese ultra-nationalist group erected a make-shift lighthouse on one of the islets.

Japan has claimed the islands since the 19th century but China says it has owned them for centuries. Taiwan also claims the islands.

The islands dispute triggered violent protests against Japan in Taiwan and Hong Kong last August.

The Japanese government moved to cool the row by promising China it would try to head off further actions by the ultra-nationalists.

The Japanese government moved to cool the row by promising China it would try to head off further actions by the ultra-nationalists.

Since last week when the Taliban religious army stopped all passenger buses from traveling to the northern one-third of the country controlled by its enemies, people have had to walk about 12 kilometres across the frontline to catch a bus on the northern side of the tunnel.

From there they continue their journey toward Mazar-i-Sharif, some 480 kilometres north of the capital, explained Mr. Abdul.

The hardline Taliban rulers shutdown the Salang Highway, the only road link between Kabul and northern Afghanistan, because they said there would be fresh

fighting in the area.

However the fighting has been restricted to the north-west province of Badghis and Thursday, Information Minister Amir Khan Muttaqi said the road would be reopened, but only temporarily.

Mr. Abdul said dozens of people were hurt in the avalanche. They were carried on old buses and picked up trucks to nearby Jebul Siraj and Charikar.

But Mr. Abdul estimated that at least 100 people still were buried in the snow that has blocked the road.

"There were so many people just walking toward the tunnel to get a bus on the

other side when it happened," he said. In front of him a woman and her two children were swept away. He couldn't find them.

It wasn't clear what rescue operations were being carried out and whether the Taliban army was trying to get rescue crews to the site of the avalanche.

There has been no fighting in that area for several weeks.

Since taking over the capital last September the Taliban has been fighting its enemies, an alliance of four different groups, led by former President Burhanuddin Rabbani and northern warlord, Rashid Dostum.

## 'Aum planned to release 20 tonnes of sarin in U.S.'

TOKYO (AFP) — The Aum Supreme Truth doomsday cult planned to release 10 tonnes of sarin nerve gas each in Washington and New York, a former follower told a Japanese court Friday.

"If things had gone as we had planned, the Aum would have had released 50 tonnes of sarin in Tokyo, and 10 tonnes each in Washington and New York," Yoshihiro Inoue, the cult's self-styled intelligence minister told the Tokyo District Court.

"We regarded the world outside as evil, and destroying the evil was salvation," Mr. Inoue said.

"We thought we had to destroy it," he said, noting that the idea was "the most frightening part of the Aum."

Mr. Inoue was testifying at the trial of three people who are accused of releasing the sarin gas in subway trains on the orders of Asahara.

In a separate trial, a former Aum follower said he had paid one million yen (\$8,100) for a sip of the blood of its guru.

Kazuo Kontani, testifying

in Asahara's trial, said he and 30 other Aum followers bought and drank the blood of Asahara as part of religious rituals in 1988 in Gotemba, Shizuoka prefecture, west of Tokyo.

"We all drank a shot glass of Asahara's blood as we were told that drinking his blood would help us reach spiritual enlightenment easily," Mr. Kontani told the court.

"It was light pink and a bit salty," Mr. Kontani said. "We paid one million Yen each for it, but we could not obtain the desired effect."

In 1989, Mr. Kontani left the cult and consulted Tsutsumi Sakamoto, a lawyer campaigning against the cult, over the possibility of getting the money back.

Mr. Sakamoto was quoted by Mr. Kontani as saying that the method used to sell

the guru's blood was "an apparent fraud."

Shortly after the consultation, Mr. Sakamoto and his family members disappeared, he said.

Mr. Asahara and his followers were charged with the murder of the Sakamoto family after their bodies were found in 1995.

The near-blind guru kept interrupting the proceedings by mumbling and criticising the follower's testimony.

A magazine reporter also told the court Thursday that Asahara committed obscene acts on a female follower.

The unidentified follower was quoted by Chikahiro Hiroiwa, a reporter for the Sunday Mainichi, as saying: "The guru called me after I told other followers that I was not in good shape. Then he did terribly obscene things to me."



## Jordan Times

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Editor-in-Chief:

GEORGE S. HAWATMEH

Editorial and advertising offices:

Jordan Press Foundation,  
University Road, P.O. Box 6710, Amman, Jordan.

Telephones: 684311, 699634

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## Region can't afford slide

THE U.S. envoy to the Middle East, Dennis Ross, has returned to the region with a specific agenda that aims to contain the crisis which has erupted in the wake of Israel's decision to build yet another Jewish settlement in East Jerusalem and, hopefully, put the Israeli-Palestinian peace talks back on track. It is still too early, though, to tell whether Ross's new mission can succeed. While President Bill Clinton has described his envoy's talks with Palestinian leader Yasser Arafat in Rabat Thursday as positive, we have yet to hear his assessment of Ross's talks with Israeli Prime Minister Benjamin Netanyahu. Washington's silence so far on the outcome of the latter talks suggests that the gap between the two sides may be wide.

Meanwhile Netanyahu, is said to be insisting on a specific, action-oriented commitment from the Palestinian National Authority (PNA) to curb Palestinian violence and apprehend Hamas activists before they organise or wage another wave of suicide attacks in Israel's heartland. The Palestinian side is obviously demanding a quid pro quo that could be given expression by Israel's rolling back its construction plans on Jabal Abu Ghneim and renouncing all unilateral actions that could predetermine the outcome of the final status negotiations before they even begin. Netanyahu knows very well by now that ultimately he will have to make a choice between peace with Arab World, starting with the Palestinians, and playing to the tune of the extremists in his ruling coalition. His choice up until now has been to appease his right-wing, ultra nationalist constituency at the expense of what needs to be done in order to achieve real and durable peace with the Arabs. The violence that has swept the Palestinian territories and the threatening tension that has hung over everybody's head in the Middle East of late should convince the Israeli government that its policies will take us further away from peace and down the road of instability and possibly renewed conflict and war.

The Israeli government was amply warned by its security people that violence would erupt if it went ahead with its decision to construct the "Har Homa" settlement. Perhaps Netanyahu was counting on a short-lived violence spree that he could live with in a measured response to his show of force in deciding to build the settlement. All signs indicate, however, that the Arab side is not going to tolerate any longer Israel's bid to complete the annexation of East Jerusalem without resistance. Whether by such resolutions as were adopted by the Rabat meeting of the Jerusalem Committee or the Organisation of Islamic Conference (OIC) or the Arab League or the meeting Thursday by the foreign ministers of the Gulf Cooperation Council (GCC), which in fact called for reassessing Arab relations with Israel, the Arab and Islamic Worlds will not sit idly by as Netanyahu ups the ante and instigates a new battle over Jerusalem. Ross's new mission may still succeed in instilling some sense in some hot heads in Israel, thereby saving the region from imminent slide towards uncertainty. In the end it is President Clinton's responsibility and that of other world leaders to work effectively and promptly to implement the agreements to which he and others stood witness. Going back to conflict and violence will not serve anybody's interest.

## ARABIC PRESS COMMENTARIES

THE JERUSALEM Committee which is holding meetings in Rabat ought to have convened much earlier and before the Israelis started digging through the Jabal Abu Ghneim to build a new Jewish settlement, said Al Ra'i Arabic daily. Arabs and Muslims have expected the committee to take practical steps to deter Israel from going ahead with plans and to have encouraged the Muslim World to act at all international fora to put an end to Israel's illegal practices, said the paper. The Jewish settlement on Jabal Abu Ghneim, added the paper, does not only threaten the Arab and Muslim character of East Jerusalem but it could be the last straw that would break the peace process altogether, continued the daily. While the Arabs and Muslims are now gathering to discuss the situation the Israelis have displayed no fear of any party and they are not taking into consideration any statement of condemnation directed against their actions as long as such condemnation is not followed by practical steps, at least at the international political level, according to the paper. The Jerusalem Committee, said the paper, should now maintain an open meeting and double its efforts to bring pressure to bear on the Israelis, through major world powers and international organisations, to halt the building of the settlement and open the way for the final-status negotiations between the Israelis and the Palestinians.

AT LAST, after months of hesitation, the U.S. administration is sending its envoy, Dennis Ross, to the Middle East to try to breathe life into the almost dead peace process, said Al Dastour daily. But this time, Mr. Ross has his hands tied by Washington, that most recently showed its total bias towards Israel through the two vetoes at the U.N. Security Council, thus encouraging Benjamin Netanyahu to go ahead with plans to build a Jewish settlement in Arab East Jerusalem, which has triggered renewed violence, according to the paper. While receiving Mr. Ross, the Arabs feel bitter against Washington's unjustifiable attitude vis-a-vis the critical issue of Jerusalem, which constitutes one of the most important issues that remains to be settled at the final-status negotiations between the Palestinians and Israelis, said the daily.

## Jordanian Perspective

## 'Arabs expect the U.S. to live up to its own founding principles of justice and honesty'

MONDAY'S White House meeting between His Majesty King Hussein and U.S. President Bill Clinton comes at perhaps the most crucial juncture in Arab-Israeli peace-making and both Jordan and the U.S. face the daunting task of injecting new vitality in the Middle East peace process, particularly on the Israeli-Palestinian track.

It is not an easy task, given the numerous hurdles Israel has erected in the path towards a just and fair peace agreement with the Palestinians.

The writing is clear on the wall: The Israeli government of Benjamin Netanyahu has no intention to recognise and respect the legitimate territorial and political rights of the Palestinian people. The best it is willing to accept is autonomy for the Palestinians living in the occupied territories. It is towards this end that all Israeli plans aim at setting up isolated Palestinian towns and communities in the territories with no geographic links among them while the Israeli army will remain in control of all main roads and highways cutting through the West Bank.

It is in the same vein that Israel has continued to build Jewish settlements in Arab East Jerusalem and kept a deaf ear when it came to addressing the rights of the Palestinians in the diaspora, whether displaced or refugees.

What we have seen so far is a clear Israeli attempt to dictate the terms of a peace accord with the Palestinians and impose its will on the Arabs as a whole with little consideration given to the legitimate Arab rights in Palestine, including East Jerusalem.

Such behaviour has obviously left no room for a new take-off of the peace process except in the direction charted by Israel. And that is the crux of the task facing King Hussein when he meets President Clinton on Monday.

Jordan's unwavering commitment to peace in the Middle East and efforts to bring security and stability for all peoples in the region needs no reminder. King Hussein is willing to use every iota of goodwill and credibility he and Jordan have to advance the peace process. But, given the Israeli intransigence and arrogance, one is discouraged to find very little room for movement based on good faith and honest intentions on one side in the peace process.

Jordan is willing to go that extra mile to put the peace process back on track and salvage peacemaking from the brink of catastrophe. But Jordan alone can achieve little without Israeli reciprocity based on a pragmatic realisation that for real peace to take hold in the region, the Jewish state has to abandon its grand designs which totally ignore Palestinian and Arab rights.

That places the ball right in the American court. We have heard successive U.S. administrations repeatedly affirm that Washington was and is no position to influence Israeli policies and decision-making. The assertions by Clinton administration officials that the best course is to leave it to the Palestinians and Israelis to work out an agreement between themselves, without external intervention, are in themselves a non-starter. Quite simply, one need not be told that Israel, by virtue of its physical control of the Palestinian territories, supported by a mighty military, holds the upper hand in any negotiations with the Palestinians. It is not as if the Palestinian-Israeli negotiations pit two sides of equal strength: the party with genuine grievances is the weaker among the two while the other maintains the arrogance of power.

Let us face the reality today: The U.S., while claiming neutrality and very conveniently arguing that the two parties should work out a solution between themselves, is in

fact going out of its way to defend and protect Israel rather than live up to its claim to be a honest broker. Its two successive vetoes of United Nations Security Council resolutions, as well as its vote against a General Assembly resolution condemning Israel's settlement policies, have established the double-standard policy of Washington.

The U.S., despite its smooth diplomatic talk, is only kidding itself if it believes that the international community has bought its arguments of neutrality in the peace process. If anything, the belief is getting stronger every day that the U.S. is a supporter of the grand designs of Israel against Palestinian and Arab rights.

Washington's adamant rejection of any substantial role for the powerful European Union (EU) in the peace process speaks volumes for the U.S. fear that a direct EU involvement would better balance the peace negotiations because the EU would throw its weight behind the weak Palestinians and their legitimate rights against Israel's intransigence backed by Washington.

It will be an understatement to say that U.S. credibility in the peace process is fast disappearing regardless of whatever arguments Washington puts up. The reality on the ground totally contradicts American assertions and promises.

The only way out of the crisis today is for the U.S. to stop in its track for a moment and rethink its interests and strategies in the Middle East. The U.S. is the only power which could bring about any substantial change in the present situation in the region. We need not lecture the U.S. as to what its options should be. All we Arabs expect is for the U.S. to live up to its own founding principles of justice and honesty, for once in the Middle East.

## THE WEEK IN PRINT

## Smooth sail for the new transitional government

REVIEWED BY ELIA NASRALLAH

COLUMNISTS AND writers for the local press concentrated their attention in the past week on the new government of Prime Minister Abdul Salam Majali and the problems it is expected to address. Prominence was also given to the Middle East question in light of Israel's settlement plans. Writing under the title "No promises and no expectations", a columnist in Al Ra'i daily said that the present government is quite lucky because the King's letter of designation did not ask it to burden itself with heavy responsibilities, on the one hand, and because its members are quite experienced and familiar with the tasks ahead.

Fahed Faneh said that regarding the question of peace, the new government has five ministers well acquainted with the peace process and capable of handling peace requirements: as to the general elections, the Interior Minister, Nazir Rashid, is a veteran regarding affairs of his ministry because he had served in the security services before.

Referring to the economy, he said that the country is applying an economic restructuring programme which is sufficient to take care of economic issues. Regarding the public administration, the writer said no one is expecting miracles since the question of reforming the system cannot be handled by a provisional government, especially since its predecessors have repeatedly tried to put matters right with no much success.

In the view of Yasser Zaathreh, a writer for Al Dastour, the new government is faced with the formidable task of ensuring fair and free elections this year, pursuing efforts to protect and promote the peace process and enhancing Jordan's relations with the rest of the Arab states.

Apart from the elections, the main task of the present government, Abdul Salam Majali is directing his efforts towards tackling the inefficiency of the public administration, and cor-

ruption, said the writer who stressed that these are all vital issues that do not tolerate any delay.

In handling the peace process, he said, the present government is faced with two predicaments: the Jewish state's illegal practices under the Likud government, which are humiliating Jordan's interests, and the prospect of having to take decisions within the framework of the Jordan-Israel peace treaty, which are not backed by the Jordanian people.

Rakan Majali, a writer for Al Dastour, criticised the Islamic Action Front for what he said its unjustified attack on the new government.

He said that apparently because the party's members had failed to secure cabinet portfolios in the new government, something which they had hoped to achieve under the former government, certain party members launched their present attack.

The writer recalled that the Kabarti government had sent out feelers to the Islamic Action Front, sounding out their stand with regard to joining the government, and noted that prominent party members had displayed strong desire to participate in a future government.

Having failed to receive any ministerial portfolios under the new government, this party has resorted to attacking it. Furthermore, the writer recalled that under a previous government, the Islamists had proved that even after being given cabinet posts they had failed to produce an integrated programme of their own to bring about reforms in the country.

He said one can understand any party's desire to assume power in the country, but what is not acceptable is for any party to try to cover up for failure by levelling attacks on others.

A writer for Al Aswaj urged the new government to avoid any delay in coordinating the efforts of the ministries of tourism and information in carrying out worldwide campaigns to attract tourists to Jordan.

Yahya Mahmoud said that the tourism industry

is a lucrative business and promising in a country like Jordan which houses historic treasures and enjoys security and stability. It is imperative for the Ministry of Information to join the efforts of the Ministry of Tourism and Antiquities in launching programmes abroad aimed at attracting tourists, in conjunction with the private sector, because the tourism industry forms a vital component of the Jordanian economy, said the writer.

The writer cited the example of Lebanon which, after years of civil strife, is rising up again and whose economy is being strengthened by the new tourism programmes and through investments in the tourism industry. He added that the Ministry of Tourism can by no means handle this important task on its own.

Tayseer Zibri, a writer for Al Ra'i, attacked Washington's resorting to vetoing U.N. Security Council resolutions condemning Israel's illegal actions, describing the council's performance as imposing "the dictatorship of the minority" on the rest of the world community.

By twice killing council resolutions in favour of its ally, the U.S. has displayed its determination to continue protecting Israel's aggressive policies and proved again that it can by no means be considered as a fair broker of the peace process, said the writer.

By giving the power of veto to only five members of the world community, the world cannot expect to live in peace since each of these five members tries to protect its own interests and those of its allies, regardless of the world community's concerns.

The writer said that since the five members of the council continue to practise their hegemony over the world's affairs, no one can expect justice. Commenting on the meeting in Morocco of the Jerusalem Committee, a writer for Al Dastour said no practical steps are expected to be taken at meeting and the statements of condemnation of Israel's practices can by no

means stop the Jewish state's building of settlements on Arab land in Jerusalem.

Issa Shueibi said that it is not sufficient for the Arab and Muslim countries represented at the committee to cry over spilled milk when the Israeli bulldozers are wasting no time in paving the ground for the new settlement on Arab land close to the shrines considered holy by millions of Muslims and Christians around the world.

The writer said not only is Benjamin Netanyahu scoffing at the committee's statements, the committee's members themselves feel that their behaviour falls far short of the minimum level of action required to prevent the Israelis from pursuing their practices.

The writer said it is better for the Arabs and Muslims to refrain from holding such meaningless meetings since they cannot undertake a single practical step to bring pressure on the Israeli government and deter its illegal actions.

Benjamin Netanyahu seems to have been waiting for the Tel Aviv blast to declare that Yasser Arafat and the Palestine National Authority are responsible for the attack, said a writer for Al Ra'i.

Not only did Mr. Netanyahu defy the world by provoking the Palestinians to resort to violence once again, he also ordered his troops to launch renewed attacks on the Palestinian civilians and to surround their towns with tanks, said a columnist writing under the pen name Meem.

Before the Tel Aviv attack, he said, Mr. Netanyahu realised that the Palestinians will not remain passive in the face of Israel's practices and had planned to impose a siege on the Palestinian towns to ensure that the building of the new settlement on Jabal Abu Ghneim will continue smoothly and without any obstacles.

The writer said that it is true that terrorist actions can never benefit the cause of the Palestinians, but, he added, Mr. Netanyahu has left the oppressed population with no other alternative to secure their rights.

## LETTERS

## Action, no talks

To the Editor:

I DARE comment on Bill Ennenbach's letter "Reassessing U.S. policy" (Jordan Times, March 26, 1997). It is all right for Mr. Ennenbach to suggest reading material and a few sources here and there about "realpolitik," but it is not this issue only that is important; it is the "haute politique" which determines the fate of weaker nations, or, in the case of the Palestinians, their still non-nation status that hampers their cause.

In May 1948, upon the declaration of the state of Israel, I was a very young visiting wife of a student in the U.S.. When the family, husband, wife and a little child became stateless, the period of adjusting to immigration rules regulations and bonds governing our status, along with the rest of the indecisive paraphernalia that messed up our personal lives, remained until Sept. 1951. It did not get solved until the PhD dissertation was completed and accepted. To make a long story short, we remained stateless for three, and a half years out of a five-year stay. As stateless persons, we were allowed to work, to apply for social security, free education, freedom of movement and holdings; that much I will always remember and carry with me all my life.

Upon returning to see my family, and at the time my parents pressured me about our status and our right to return or visit them, my father finally sent me a Jordanian document to travel with, my husband acquired a refugee laissez-passer, and my child was holder of a U.S. passport.

Coming back, and living and working with fellow Palestinians in Jordan, Egypt, Lebanon and visiting European countries, I was in charge, at one time, of collecting pertinent data on Palestinians all over the world for the Palestine Research Centre in Beirut, Lebanon. I noted the struggle plus strife we went through as Palestinians; we had ended in a hand-to-mouth existence, without excluding any country we happened to be living in. We were confined to remodelled army barracks, or barbed wire enclosures, and were told to wait. The affluent ones chose other ways, with great difficulties in their step-by-step procedures.

Now, fifty years later, I feel it is this "haute politique" which ruled our lives and decision and that not many cared who lived or died or what was to be done for the future. If any plans were made, they remained secrets not to be revealed to us.

Unfortunately, our intellectuals, in general, did little more than collect, read and refute what prominent Israelis had to say concerning their future plans, strategic and tactical. It would have been much wiser for them to have widened the scope of looking into infrastructure, socio-economic status, industries, educational and scientific achievements and the way-of-life of the average Palestinian refugee — for we are all refugees now, even if we are granted historical names and period dates — in lieu of arranging high-level meetings and engaging in useless Byzantine dialogues, so to speak, to get more action done.

Leila Al Khalidi,  
Amman.

## Appalling cruelty

To the Editor:

I HAVE witnessed the most appalling act. Our neighbourhood has had a stray dog resident for as long as I have lived here. She has been in direct contrast to the household animals who are aggressive and noisy. She would purposefully leave the area if people were out on their own or with their own animals. She has quietly raised a healthy, socialising pup. And my neighbours responded by leaving her food.

But the community as a whole did not behave as well. Deep in the heart of the Abdoun residential district a truck bearing the red licence plate of 11773 cruised the streets. Sighting the mother dog they pursued her until they had her in a field bordered by walled private gardens.

I counted six shots from a high powered rifle. Six shots fired — badly — in a residential area! The sixth wounded her in the shoulder. When she went to ground behind a small hillock they drove off, leaving her to bleed profusely.

With the intervention of the municipality patrol a final single merciful shot put her out of her misery.

What impression will my overseas guests take away with them of Jordan?

This scenario enraged me on many levels. All our communities must deal with an animal control programme. But never, anywhere I have lived on this planet, have I seen such a flagrant disregard for the safety of the community and such cruelty combined with ineptitude in carrying out a task of this sort.

Surely this cannot be the policy of the government — to use firearms indiscriminately in a residential area, taking potshots at an animal on the off chance of killing them.

Jo Molloy,  
Amman.



# Beware: mother's little helper is defecting...

*Society is facing one of its gravest public health problems — the emergence of bacteria with resistance to many, and in some cases all, available antibiotics*

By Robin McKie, Peter Beaumont, Victoria Clark and John Arlidge

WILLIAM DAVID is a worried man. Recently the 63-year-old retired photographer saw his doctor once again about his recurrent urinary infection. It was not the symptoms, shivers and discomfort that frightened him. His real fears focused on the three courses of different antibiotics that have so far failed to shift his month-long illness.

"I wasn't very happy when my doctor suggested even more antibiotics. I asked her if there was a danger I could become immune to them — but she dodged the issue."

William's question was a legitimate one, nevertheless. Nor is he the only one to ask it, for in recent months, more and more people have come to question the reputation of the twentieth century's wonder "cure-all": the antibiotic. And in its place has spread a new folklore — about the lost potency of the magic bullets that once gunned down so many infectious diseases.

Even the use of amoxycillin, that friendly yellow liquid that is every parent's panacea for earache and other childhood ills, is under the scrutiny of suspicious scientists.

Such pessimism is not hard to explain, given the apocalyptic utterances of so many doctors and scientists. Take the views of Professor Stuart Levy, director of the Centre of

Drug Resistance at Tufts University, Boston. "Society is facing one of its gravest public health problems — the emergence of infectious bacteria with resistance to many, and in some cases all, available antibiotics," he writes in a forthcoming Ciba Foundation book about the problem.

Nor are such concerns confined to the scientific and medical establishments. In a speech charged with emotion, a tearful Lord Fitt — formerly Gerry Fitt, the West Belfast MP — recently told a House of Lords debate on antibiotic resistance how his wife of 49 years had died last year following exposure to "a superbug" at the Chelsea and Westminster hospital.

Lady Fitt was being treated for asthma when she contracted "some sort of hospital bug" from a patient. "I wish I had never agreed to let her go to that hospital," Lord Fitt said. "From the day she got that infection, it was totally and absolutely downhill. Eventually this bug, which had got into her respiratory system, was playing such havoc that they had to take her to intensive care."

He was warned by consultants that as a consequence of contracting the bacterium methicillin resistant *Staphylococcus aureus* (MRSA), his

wife would never again be able to resist an attack of flu. Taken out of hospital by an anxious Lord Fitt, his wife asked to borrow a handkerchief in June, saying: "Gerry, I have got flu." "Within a week," he added, "she was dead."

The Lords concluded that Britain now faces outbreaks of illnesses — including pneumonia and tuberculosis — caused by strains of bacteria for which no antibiotic treatment will be available. "The consequences would often be fatal," said Brian Spratt, Professor of Biological Science at Sussex University.

And the emergence of one bacterium, found at London's St. George's hospital, that thrives on antibiotics, should make such warnings to be taken very seriously indeed. For its part, the government has been forced to try to balance cautions about overreaction with warnings against misuse.

"We do face the prospect that antibiotics could lose their effectiveness in the near future," Dr. Kenneth Calman, the chief medical officer, told the Observer. "We need to take careful measures, but equally, we must not go too far. People should not stop taking antibiotics. These are extremely useful medicines, after all."

The trouble is that, for all scientists' warnings,

little has been done to stop the practices that have rekindled our vulnerability to ancient killers such as TB.

In particular, indiscriminate overuse of antibiotics remains widespread, as illustrated by the case of British tourist Ann Miller who was holidaying in Kashmir when she was struck down with recurrent pancreas trouble. The local chemist sold her the painkillers she needed — as well as three different antibiotics, with no instructions about when to take them or about finishing the course.

And the problem is only getting worse. For example, the fall of communism opened the door to an avalanche of cheap imported drugs, including antibiotics, from the West. Recently an Observer correspondent visited her local Moscow chemist and found antibiotics openly on sale.

Ciba Foundation symposium. "You might expect all microbes to have been killed. But they have not been killed. They have become resistant."

Waves of untreatable illnesses — pneumonia, meningitis and septicæmia — now sweep the Third World and some have reached the United States. They have also arrived, in a limited way, in Britain, where occasional infections, such as bouts of MRSA, have had fatal outcomes in hospitals.

These occur in wards because antibiotics are used to treat immunosuppressed cancer patients, AIDS sufferers and individuals who have just undergone surgery, leaving hospitals awash in antibiotics — a perfect environment for the evolution of resistant bugs. "In the world outside the hospital ward, in the community, resistance has yet to have a serious affect in Britain."

manufacture of variants on these antibiotic themes.

Nor can Britain lay all the blame at the door of the Third World. By and large, both doctors and public behave responsibly with regard to antibiotics in this country. The former certainly do not wildly overprescribe and the latter do take pains to finish courses of treatment.

Yet doctors find it difficult to resist giving antibiotics to two-year-olds with undefined but nonetheless severe pains. Equally parents find it hard to complete courses if their antibiotic has an unpleasant taste and is upsetting their child.

The recent outbreak of E.coli O157-H7 in Scotland, which is still claiming lives, provides a perfect example of the problem, triggering — as it has done — a heavy new demand for antibiotics. Sandra Grey, who was last week attending Edin-

burgh's Royal Hospital for Scottish Children with her nine-year-old daughter, said she often took powerful antibiotics.

"It only takes a couple of days before you begin to feel better and you can get back to normal. The only snag is remembering to finish the course so the problem does not come back. It's all about how you feel now and I know that for the time being antibiotics work for me and my family. That's all that really matters."

It is a reasonable attitude for any mother to take. However, it is doubtful that it can remain practical for much longer. Researchers have found amoxycillin to be of only marginal benefit in relieving symptoms or preventing complications in middle-ear infections, paediatrician Robert Baltimore of Yale University School of Medicine told a recent New York symposium.

However, the liberal use of such antibiotics for this slim benefit came at a high price: it puts children at risk of future infections that would not respond to antibiotics. "Many of us believe that the use of broad-spectrum antibiotics for ear infections has contributed to resistance," Dr. Baltimore said and he urged paediatricians to take the bold step of not prescribing antibiotics when children have fluid in the ear without other symptoms or when they are not in a lot of pain.

There is also the issue of antibiotics injected into farm animals, such as sheep, as growth promoters. A favourite — avoparitin — has recently been outlawed in Germany and Denmark because of its similarity to vancomycin, an antibiotic used in humans as a last resort when dealing with outbreaks of MRSA and other infections.

The ban — which has yet to be introduced in Britain despite pressure from scientists — was invoked because it was discovered that avoparitin resistance, and its biological handmaiden, vancomycin resistance, was spreading to humans.

"The use of avoparitin in animal husbandry creates a potential reservoir of transferable, vancomycin-resistant bacteria disseminated via meat products," Professor Witte, of the Robert Koch Institute in Germany, said.

As a result, bacteria resistant to all other antibiotics could be given the final armour they need to deflect the last effective magic bullet in the doctor's armoury. The consequence would be deadly.

In such chilling circumstances, stories like those of 29-year-old clerk Ian Small, who was attending Edinburgh's Stockbridge Health Centre last week, will be repeated over and over again — usually with more deadly consequences. Last week he described how five courses of powerful antibiotics had failed to kill off a stomach bug.

"When I started my first course I thought everything would be alright, but things just got worse. It was the same through the second, third, fourth and fifth courses. In the end I just threw away all the remaining pills. I would have been better off recovering naturally, and the same probably goes for others."

He is almost certainly right.

The Observer

## Prime minister's mail easy read for Swedes

STOCKHOLM (R) — It's difficult for the prime minister of Sweden to have any secrets — anyone can read his mail.

Under Swedish laws that make government documents and files from public institutions available to anyone interested, the prime minister's mail, both incoming and outgoing, is available to all and sundry.

Each day the doors to the prime minister's mail room in central Stockholm are flung open — and on average one person a day makes use of traditional Swedish openness to peruse through the leader of the nation's post.

Letters ranging from a formal exchange with U.S. President Bill Clinton to a request from Swedish citizen Karl Staben for a T-shirt are open for public scrutiny, says Mats Andersson, who answers the letters — and about half receive a reply.

If letters include a request for money or ask how to seek political asylum in Sweden, they legally require government action. "Of course there are always letters from people who say they are Jesus," said Mr. Andersson, who leads a team of seven that opens, reads and files the prime minister's mail.

"But if our Jesus says he wants 5,000 crowns (\$676) from the government, then we have to answer it."

Some letters, however, are regarded as not serious and go unanswered.

One, which was put in the "not serious" tray, was a request to investigate the possibility that whales, angered by being disturbed by ship engines, caused the Estonia ferry disaster in which 852 people died.

The ferry sank in a storm in 1994 on its way from Estonia to Sweden.

"The whiteness was convinced the whales became so angry because of this that they sank the Estonia and if we don't look into this, it's bound to happen again," he said.

About 99 per cent of the letters are from Swedes. "The letters from foreigners are mostly from people who want autographs," Mr. Andersson said.

These are answered with a standard autographed photo of Sweden's current prime minister, Goran Persson, he said.

Some documents are kept away from prying eyes and classified secret, if officials deem the public would be harmed if certain information was published.

These include letters containing military secrets and those about business deals involving state-owned companies.

However, most of the prime minister's mail is available for anyone to read.

The letters are kept on file indefinitely, moved from the office to a larger archive before they are submitted to the official state archive which has documents dating back to the 10th century.

"We even keep President Clinton's letters here," said Ulla Hildert, one of the two public servants who file the prime minister's mail.

"Some of them are classified as secret but there are also some that you can have a look at if you want."

Mr. Persson receives about 10,000 letters a year but only 60 to 70 will be sent to him for a signed reply.

"He reads all the letters he signs," said Mr. Andersson, who is one of Mr. Persson's political advisers.

Mr. Andersson chooses which letters and e-mail messages will be answered and which will be passed on to the prime minister.

He said the mail reflects popular opinion in Sweden.

Before former Deputy Prime Minister Mona Sahlin was forced to resign over allegations that she misused a state credit card to buy nappies and chocolate for her children, there was a flood of letters supporting her.

## برعاية جلالة الملكة نور الحسين العظيمة

يعلن

### مستشفى فرح

عن عقد مؤتمره العالي عن  
الخصوبة والوراثة

يوم ٣، ٤ نيسان ١٩٩٧ حسب البرنامج التالي:

#### Thursday 3rd. April 97 - Afternoon session

15:00	Prof. J. Grudzinskas	Early Pregnancy Failure	England
15:30	Dr. A. Handyside	Pre-implantation Diagnosis	England
16:00	Prof. L. Koulischer	Genetic Counselling in Medically Assisted Procreation	Belgium
17:30	Mr. S. Ghunaim	ICSI by Testicular Sperm 24 hours after Testicular Biopsy in Secretary Azoospermia	Jordan
17:45	Prof. R. Schoysman	New Interest in Testicular Biopsy In the Management of the Azoospermic Male	Belgium

#### Friday 4th. April 97 - Morning session

09:30	Dr. F. Lisi	Immature Sperm Conception in the Human	Italy
10:00	Dr. Y. Dajani	The Role of Testicular FNA in Assisted Conception	Jordan
11:00	Mrs. S. Keilani	Variation in Zone Pellucida Dissolution time of non Transferred Human Embryos in In Vitro Fertilization	Jordan
11:15	Prof. I. Craft	PESA	England
11:45	Prof. R. Schoysman	Debate:	Belgium
	Prof. I. Craft	Assisted Conception or	England
	Dr. Z. Keilani	Surgical Correction	Jordan

#### Afternoon session

14:30	Dr. J. Cohen	Ovarian Stimulation for Assisted Reproduction	France
15:00	Prof. R. Frydman	The use of Antagonist in IVF	France
15:30	Dr. W. de Laat	Recombinant FSH	Holland
16:30	Pro. E. Cittadini	Operative Laparoscopy	Italy
17:00	Dr. J. Hamou	State of The Art in Operative Hysteroscopy	France

أما رسوم الإشتراك فهي أربعون ديناراً للأخصائيين وعشرون ديناراً للمقيمين ومجاناً للطلاب

يرجى ممن يرغب في الإشتراك من الزملاء الأطباء، التسجيل لدى سكرتيرة المؤتمر في مستشفى فرح - هاتف ٦٤٤٤٠ - خط ٤٦٦

ونظراً لأن عدد المشاركين محدود، فستكون الأفضلية لمن يسجل أولاً

وسيقترن حضور حفل الإستقبال والإفتتاح على المشاركين السجلين رسمياً وعلى اللعوين





# ARAB BANK

PLC

## CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to announce that Arab Bank enjoyed another successful and profitable year in 1996. Through sound banking policies, management has been able to build upon the Bank's sturdy foundation in order to safeguard shareholders' interests and guarantee quality services for its customers. The continued success of the Bank and the resulting benefits to shareholders and clients is further evidence of management's ability to incorporate and deal effectively with change.

It gives me great pleasure to present to you the 1996 Annual Report of Arab Bank, depicting the strong performance and encouraging results your institution sustained during the past year. Net income after tax increased to JOD 95.7 million. The total balance sheet has increased to JOD 13.5 billion and shareholders' equity reached JOD 630.0 million.

It is my pleasure to recount the Bank's strong financial situation and to touch upon the most important internal and external factors, including the general economy, which contributed to the solid performance of your Bank.

Until such time as a final and just peace is reached in the region, we shall continue with efforts to temper our clients' optimism. The events of 1996 confirmed that the road to lasting peace in the Middle East is still fraught with difficulty and disappointment. Perseverance, sacrifice and hard work are required before Palestinians regain all their legitimate and inalienable rights.

In spite of uncertain and difficult conditions prevailing in the Arab countries as indeed in the rest of the world, nevertheless during 1996 Arab Bank focused its attention on providing clients with integral products and services, which contributed to the support of economically viable projects. During the past year, we were successful in finalising all necessary arrangements for the completion of our new branches in Palestine in Hebron, Jenin, Qalqiliyah and a second branch in the City of Ramallah. All are now operational. With these additions the Bank's network in Palestine consists of eleven branches.

The Arab Palestine Investment Bank (APIB) joint-venture, has been established and is now operational. APIB's capital amounting to USD 50 million has been fully paid, with ownership apportioned as follows: 55% by Arab Bank Plc; 25% by International Finance Corporation (IFC); 15% by Deutsche Finanzierungsgesellschaft für Beteiligung in Entwicklungsländern (DFG) and 5% by Enterprise Investment Corporation (EIC). In conjunction with serving its clients and enhancing the region's economic condition, the APIB is directing its efforts toward supporting industrial production and accelerating the creation of jobs in Palestine.

The Arab Bank's performance in the Arab countries was exceptionally successful. Positive variables contributed to influencing and supporting further growth and development in these countries. Due to favourable and stable oil prices, petroleum-producing countries were not only able to control their budget deficit, but also to undertake new investment plans. Currency exchange remained generally stable throughout the year, with only minor structural changes in the currency values of the Arab countries where we operate. The Arab world also experienced an increase in pan-Arab trade, including a general trend toward opening the market through a relaxing of rules and controls of banking operations.

These positive variables bring promise of a brighter economic future. At the same time, competition among financial institutions necessitates that we satisfy our clients' diverse needs more efficiently and effectively. In our ongoing efforts to improve and support the operations of our branches in the Arab world, we have increased their capital base, augmented staff training and modernised their technical facilities.

In general, world economic and financial conditions were encouraging with modest growth achieved during 1996. Interest rates fell and stabilised at low levels while exchange rates did not change significantly. The performance of Arab

Bank branches, subsidiaries and affiliates outside the Arab world contributed to the Bank's total profits and reserves. In 1996, Arab Bank extended its global network by establishing a representative office in Santiago, Chile. We now have, for the first time, a physical presence in Latin America, where we hope to reach and serve the extensive Arab community there. This new facility, as indeed all our other international resources, has been established to serve the needs of all of the Bank's clients.

In 1996, the Basle Committee on Banking Supervision of the Bank for International Settlements, issued a new rule in order to complement the capital adequacy base of the banking industry. The objective of this new rule is to hedge risk requirements resulting from changes in market prices, and to augment the capital adequacy required for credit risk. By the end of 1997, the impact of interest rate risk on the net worth of banking entities is required to be measured and reported. A special designated part of the capital base must also be allotted for market risks. The mechanism of this new ruling proves the historic soundness of Arab Bank. We have always worked hard to build shareholders' equity by retaining the maximum amount possible from our net income and by keeping the dividends distributed to shareholders reasonable and stable.

The Basle Committee on Banking Supervision also issued recommendations for improvement of the general framework of banking supervision and control. These recommendations emphasise the control and supervisory role of the national central banks over the consolidated balance sheet of all multinational banks operating outside their own respective countries. The free exchange of information among the central banks was also a major component of these recommendations.

As a pioneer in its efforts to control risks and manage exposure effectively within the framework of the banking supervision, Arab Bank established a High Asset/Liability Management Committee. The mandate of this Committee is to identify, measure and manage successfully the total banking risks, as well as to standardise the functions of local Asset/Liability Management Committees in main branches and money centres. A standard unified framework for risk management procedures is presently being implemented. A communication system for "real-time on-line" reporting will be set up in the near future and will be utilised to cover the Bank's branch network. The main objective of these developments is to facilitate the achievement of the Bank's goals in total risk control.

Hard work and sound banking policy produced satisfying financial results in 1996. The following paragraphs contain a brief summary of the main financial achievements.

Arab Bank reported a record income in 1996. Net income increased to JOD 95.7 million from JOD 80.5 million over the previous year, representing an increase of 18.9%. It should also be noted that the Bank was able to double its income from that of five years ago. Consistent with these outstanding results, profitability ratios also generally improved. The ratio of net income to shareholders' equity rose to 15.18% from 14.58%, and the ratio of net income to total assets improved to 0.93% from 0.87% in 1995.

Efficiency was further enhanced. In 1996 a 16.9% growth in total revenue was achieved while the increase in operating expenditure was held to 12.2%. Total assets were augmented, reaching JOD 10,338.1 million compared to JOD 9,295.6 million in 1995, an increase of JOD 1,042.5 million, or 11.2%. Growth in external funds was parallel to additional investment opportunities selected by the Bank. Total deposits increased to JOD 9,298.5 million from JOD 8,375.5 million in 1995. Customer deposits, made up 73.2% of total deposits and reached JOD 6,809.0 million in 1996, compared to JOD 6,168.1 million in the previous year.

It is important to mention that over 80% of all client funds are core and stable deposits, which afford a certain flexibility to the Bank in its investment and liquidity management. Cash and quasi-cash



comprised 50.2% of total assets. On the other hand, our total loan portfolio reached JOD 4,163.3 million compared to JOD 3,711.1 million at the end of 1995 and represented 40.3% of total assets.

The new Jordanian tax law came into effect on 1 January 1996. This law imposes a 10% withholding tax on dividends distributed to shareholders, which should be deducted and paid upon the approval of dividends by the General Assembly. The Board of Directors has made arrangements to secure the net amount paid to shareholders without any reduction from previous years, as a result of this new law. Accordingly, the Board of Directors recommends to the General Assembly the distribution of JOD 17.6 million, or JOD 4 per share. The proposed dividends represent 40% of the nominal value of the paid-in capital. The Board also recommends the appropriation of the remaining income to the disclosed reserves in the balance sheet. As a result of the above allocation, total shareholders' equity, after the distribution of dividends, will increase to JOD 630.0 million compared to JOD 552.0 million in 1995. Accordingly, the ratio of equity to total assets will increase to 6.09% compared to 5.94% in 1995. The capital adequacy ratio, calculated according to the Basle rules, reached 14.24% for 1996. The minimum capital adequacy ratio required by the Central Bank of Jordan is 10%, while the Basle rules require a minimum of 8%. The positive difference between requested and available equity reflects the additional margin available to the Bank in meeting the new market risk requirement. It also highlights the additional resources accessible for further investment opportunities in risk assets, which could be utilised by the Bank for exceeding its performance both inside and outside the Arab world.

Arab Bank Group results for 1996 were comparable to those achieved by Arab Bank Plc. Net income reached USD 197.8 million representing an increase of USD 29.8 million or 17.7% over the 1995 results. The total balance sheet, excluding contra accounts, reached USD 15.9 billion. Shareholders' equity increased to USD 1,402.5 million, or 8.8% of total assets. The capital adequacy ratio advanced to 16.09% in 1996 compared to 14.64% in 1995.

Citing his responsibilities and busy work schedule, the Board of Directors accepted the resignation of Mr. Bahaa Rafic Al-Hariri from the Board, effective 28 August 1996. I am pleased to extend our recognition and appreciation to Mr. Al-Hariri for his service and efforts during the years of his membership. According to paragraph A. Article 178 of the 1989 Jordanian Temporary Company Law, we recommend to the General Assembly the approval of the Board's decision to elect Mrs. Nazek Oudeh Al-Hariri to fill the vacant seat effective 29 August 1996. Therefore, I would like to welcome Mrs. Al-Hariri to the Board of Directors. I am sure that the Bank will benefit from her presence and sincere efforts.

Once again, I would like to offer all shareholders and clients my heartfelt acknowledgement and sincere appreciation for their support and confidence. I also wish to thank all Arab Bank staff, worldwide, for their dedication, hard work and loyalty, without which we would not have achieved the 1996 results.

Abdulmajed Shoman  
Chairman, Board of Directors

## DEPUTY CHAIRMAN'S MESSAGE

The mechanism of rating a bank is based on a structured opinion of the bank's ability and legal obligation to adhere to the timely payment of principal and interest on its liabilities. Throughout its 67 years of operations, Arab Bank has continued to meet and fulfil each and every local and international obligation. Rating of Arab Bank should be commensurate with its proven ability to honour all its liabilities, including during the most difficult and trying of times, earning it a higher rating than those of other financial institutions, which have enjoyed conditions of continuous economic and political stability.

Recently, the capital markets and the demand for credit ratings have grown explosively. Credit ratings measure the probability that the borrower will default over the duration of the debt. In line with rating agency norms, the sovereign rating establishes a rating ceiling for all entities domiciled in the respective country. This capping concept is meant to reflect the local government's wide range of powers, which theoretically render its credit standing superior to any other debtor in that nation. The concept, the justification and the applications of this capping are no longer sound and lack credibility when applied to the financial sector.

We believe that the sovereign ceiling norm has outlived its time and is no longer valid. The successful conclusion of the Uruguay Round, which culminated in the creation of the World Trade Organization, broke down financial barriers across borders and transformed world financial markets into one unit. Furthermore, the recent deregulation by financial regulators and the development in supervision of cross-border banking ensure that local regulations are no longer capable of limiting the movement of funds back to their origin during most difficult times. Arab Bank, time and again, has proved itself more than capable of overcoming any problems arising from sovereign, political or economic crises. In fact, as a result of successfully weathering all past critical events, Arab Bank has emerged even stronger.

The banking laws governing Arab Bank's operations are those of the Group of Ten or those parallel to them. In Jordan, where Arab Bank is licensed, the Central Bank of Jordan has adopted and integrates within its supervisory process all Basle control rules. The vast majority of Arab Bank Group operations, comprising more than 80% of the Group's activities, are conducted in countries outside Jordan and are thus governed by the regulatory authorities of those countries, many of which have a triple A rating. In the light of the geographical diversification of the Group's operations, the control of most of the Bank's assets by the Group of Ten regulatory authorities and the confinement of the Jordanian operation risks to assets held in Jordanian Dinars, render any attempt to correlate Arab Bank credit risk with the credit risk of a specific country both meaning-less and erroneous.

Regulators controlling the Bank's operations have always held it in high regard. Evaluation of the Bank's management, including examination of internal controls and quality of assets, continuously reveal the inner strength of the Bank and result in the best possible mark. In several countries Arab Bank has achieved high ratings from the regulatory authorities for its operations, computerisation and controls. We are also witnessing a continuous upgrading of our operations from the banking authorities worldwide.

During the last ten years, the Tier I capital of Arab Bank Group increased by 120% to reach more than USD 1.4 billion at the end of 1996. Tier II capital has been accumulated at an even higher rate. No external funds were raised in this remarkable build-up of the Group's equity. Capitalisation of retained earnings and charges to income were the only sources utilised. The equity to total asset ratio improved from 5.9% in 1987 to 8.8% in 1996. The capital adequacy ratio at the end of December 1996 was 16.09%. The Bank's capital management philosophy aims to maintain a strong capital base beyond any risk requirements. We believe that solid capital not only underlies financial strength but also endows the financial institution with the ability to benefit from superior investment opportunities.

Investing in prime quality assets has been a major element in Arab Bank strategies. The Bank's adoption and implementation of a conservative credit policy since its establishment has been maintained ever since. Exposure and risk management systems are centralised. Limits and management exposures in different sectors



and countries as well as limits on credit concentration are strict. Control of global exposure to single names is an important credit issue, which is closely managed. The Bank's monitoring and evaluation systems ensure the integrity of its accepted risk tolerance. Historical trends show that the Bank has more than sufficient provision to cover easily any problem risk. Earmarked and general provisions have always been set higher than the generally accepted industry norms. The Jordanian loan portfolio represents a limited portion of total exposure. Practically all credits extended in Jordan are in Jordanian Dinars. The overwhelming percentage of the Group's exposure is in Europe, United States, Far East and in other Arab countries. This meaningful geographical diversification of credit risks therefore gives the Bank its added financial strength.

Net income of the Group for 1996 was USD 197.8 million, while in 1987 the Group's net income was USD 82.0 million. Average growth in net income during these ten years was 10% and during the past five years 13.4%. Average annual return on equity from 1987 to 1996 was 11.7%. In the past five years it was 11.8%. Progressive improvement in income, which is parallel to the growth in the shareholders' equity, underlines the unquestionable profitability of the Group. Income generating power is also geographically diversified. Diversification of income generation ensures maintenance of the targeted profitability in spite of any negative economic or political impact in a specific area.

Proper management of liquidity within the unstable political and economic environment of the Middle East is a hallmark of Arab Bank policies. Different liquidity measures and ratios are utilised to ensure the continuous solvency of the Bank locally and internationally. At the end of 1996, the cash and quasi-cash to total external funds ratio was 52.2%. Liquidity measures are always maintained at a higher level than the accepted norms in the banking industry. Core deposits are approximately 80% of deposits. Core credits are less than 30% of core external funds. Sensitivity of interest rates on domestic and international currencies is well managed. The maturity of interest bearing assets is usually matched with the maturity of interest bearing funds. The extremely restrictive liquidity policy of Arab Bank is strictly adhered to, thus ensuring its solvency and survival.

Strategically, the Group centred its mission on servicing the economy of the Arab world via its widespread network of branches and subsidiaries. The Group's international presence complements its network and facilitates its role as a bridge between the Arab countries and the rest of the world. The Group's local performance in the international markets is in line with its overall mission of concentrating on serving local economies and clients.

Arab Bank Group prides itself on pioneering innovative types of banking products and services in the Middle East. Another element of Arab Bank's character is its intensive investment in modern banking technology, data processing and communication.

All aspects of financial strength and inner power to achieve successfully pre-planned targets have been continuously demonstrated by Arab Bank Group. Superior asset quality, solid capital base, continuous ability to generate targeted profits and excellence in total risk management have all been achieved by Arab Bank year after year. The Bank's outstanding record of fulfilment of promises and honoured obligations coupled with a remarkable financial strength and a clear strategic vision should not be artificially down-rated.

Khalid Shoman  
Deputy Chairman,  
Board of Directors





# ARAB BANK

PLC

## Balance Sheet of Jordan Branches as of 31 December 1996 and 1995

	1996	1995
Assets	JD	JD
Cash and due from Banks	1 030 234 727	850 378 270
Cash at Central Bank of Jordan	757 623 426	782 628 177
Government Securities	29 511 698	31 799 228
Loans and Advances (Net)	829 219 254	811 757 853
Marketable Securities (Net)	31 034 659	24 681 759
Fixed Assets (Net)	19 376 449	18 357 635
Other Assets	14 364 751	19 485 920
<b>Total</b>	<b>2 711 364 964</b>	<b>2 539 088 842</b>

	1996	1995
Liabilities & Shareholders' Equity	JD	JD
Customers' Deposits	2 134 612 967	2 054 230 049
Banks' Deposits	239 211 888	196 877 008
Borrowed Funds	89 720	109 508
Cash Margins	134 333 797	125 279 998
Provisions	27 046 857	24 561 398
Other Liabilities	81 394 738	51 861 722
<b>Total Liabilities</b>	<b>2 616 689 967</b>	<b>2 452 919 683</b>
Paid-up Capital	44 000 000	44 000 000
Statutory Reserve	8 441 527	8 441 527
Voluntary Reserve	34 179 265	25 673 427
General Reserve	8 054 205	8 054 205
<b>Total Shareholders' Equity</b>	<b>94 674 997</b>	<b>86 169 159</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2 711 364 964</b>	<b>2 539 088 842</b>

## Profit and Loss Statement for the years ended 31 December 1996 and 1995

	1996	1995
Revenue	JD	JD
Interest income	192 480 200	169 973 601
Commission income	17 444 802	15 427 600
<b>Less:</b>		
Interest expense	128 253 653	112 073 030
Commission expense	327 346	344 098
<b>Net interest &amp; Commission</b>	<b>81 344 003</b>	<b>72 984 073</b>
<b>Plus:</b>		
<b>Income from:</b>		
Securities Portfolio	878 089	883 555
Foreign Exchange Trading	1 686 867	2 259 836
Other income	2 076 945	1 966 234
<b>Less:</b>		
Provisions for Loans & Advances	2 500 000	9 906 976
Provisions for Share Losses	4 000 000	-
Loan losses	307 603	335 252
General and Administrative Expenses	36 649 112	33 166 591
<b>Income Before Tax</b>	<b>42 529 189</b>	<b>34 684 879</b>
<b>Income Tax</b>	<b>(20 277 305)</b>	<b>(19 000 000)</b>
<b>Net income</b>	<b>22 251 884</b>	<b>15 684 879</b>
<b>Appropriations</b>		
Voluntary Reserve	8 505 838	6 936 976
General Reserve	-	8 054 205
Universities Fees	425 292	346 849
Provision for Scientific Research	425 292	346 849
Management Profit	12 895 462	-
<b>Total</b>	<b>22 251 884</b>	<b>15 684 879</b>

## Cash Flow Statement for the years ended 31 December 1996 and 1995

	1996	1995
	JD	JD
<b>Cash flow from operations :</b>		
Interest and commission received	212 974 275	186 908 925
Interest and commission paid	(125 633 611)	(109 691 538)
General and administrative expenses paid	(35 004 873)	(32 173 641)
<b>Cash flow from (used in) operations before changes in assets and liabilities</b>	<b>52 335 791</b>	<b>45 043 746</b>
(Increase) decrease in assets		
Loans and advances	(20 269 004)	(139 889 619)
Other assets	6 056 793	(2 077 849)
Increase (decrease) in liabilities		
Current and demand deposits	(49 751 840)	20 765 923
Savings and time deposits	130 134 758	123 803 039
Bank deposits	42 334 880	138 100 373
Cash margin	9 053 799	10 206 169
Other liabilities	13 684 382	(519 677)
Other provisions	(828 570)	-
<b>Net cash flow from (used in) operations before tax</b>	<b>130 415 198</b>	<b>150 388 359</b>
Income taxes paid	(17 813 860)	(10 953 431)
<b>Net cash flow from (used in) operations</b>	<b>164 937 129</b>	<b>184 478 674</b>
<b>Cash flow from investments:</b>		
(Purchase) of premises and equipment	(2 835 904)	(2 469 256)
(Purchase) of other investments and long-term securities	(10 352 900)	(3 039 479)
Sale of government securities	2 287 530	66 928 685
Dividends received	835 639	827 252
<b>Net cash flow from (used in) investments</b>	<b>(10 065 635)</b>	<b>62 247 202</b>
<b>Cash flow from financing activities:</b>		
Borrowed funds from Central Bank of Jordan	(19 788)	(101)
Management Profit	-	(3 833 431)
<b>Net cash flow from financing</b>	<b>(19 788)</b>	<b>(3 833 532)</b>
<b>Net increase (decrease) in cash</b>	<b>154 851 706</b>	<b>242 892 344</b>
<b>Cash and due from banks at beginning of the year</b>	<b>1 633 006 447</b>	<b>1 390 114 103</b>
<b>Cash and due from banks at end of the year</b>	<b>1 787 858 153</b>	<b>1 633 006 447</b>

## AUDITORS' REPORT

To the Shareholders of Arab Bank Plc  
Amman - Jordan

We have audited the accompanying balance sheet of Arab Bank Plc (a Jordanian Public Shareholding Limited Company) as of 31 December 1996, and 1995 and the related statements of income, and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Bank maintains proper accounting records which are in agreement with the accompanying financial statements and with the financial information included in the Board of Directors' report. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Arab Bank Plc as of 31 December 1996 and 1995 and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards, and we recommend that the General Assembly approve these financial statements.

Amman - Jordan  
30 January 1997

Saba & Co.





# ARAB BANK PLC

## Balance Sheet as of 31 December 1996 and 1995

	1996	1995
Assets	JD ('000)	JD ('000)
Cash and due from banks	3 247 036	2 922 816
Funds with central banks	1 205 416	1 223 778
Government securities	715 993	667 865
Trading securities	23 989	24 607
Loans and advances, net	4 163 339	3 711 108
Long-term investments, net	727 654	560 167
Fixed assets, net	56 620	52 156
Other assets	198 088	133 132
<b>Total Assets</b>	<b>10 338 135</b>	<b>9 295 629</b>
Customers' liability on guarantees, letters of credit and other contingencies	3 143 859	3 631 792
<b>Total</b>	<b>13 481 994</b>	<b>12 927 421</b>

### Income Statement for the years ended 31 December 1996 and 1995

	1996	1995
	JD ('000)	JD ('000)
Interest income	745 458	698 000
Commission income	61 711	54 669
Less: Interest expense	525 462	494 245
Commission expense	2 538	2 055
<b>Net interest and commission</b>	<b>279 169</b>	<b>256 369</b>
Less: Provision for doubtful debts and investments	28 715	34 214
<b>Net interest and Commission after provision</b>	<b>250 454</b>	<b>222 155</b>
Plus: Foreign exchange trading	12 090	16 328
Other income	27 303	9 564
	<b>289 847</b>	<b>248 047</b>
Less: General and administrative expenses	153 697	136 943
<b>Net income before tax</b>	<b>136 150</b>	<b>111 104</b>
Income tax	40 495	30 649
<b>Net income</b>	<b>95 655</b>	<b>80 455</b>
<b>Appropriation:</b>		
To voluntary reserve	26 000	22 000
To general reserve	52 000	43 000
Proposed cash dividend	17 600	15 400
Directors' remuneration	55	55
<b>Total Appropriation</b>	<b>95 655</b>	<b>80 455</b>

	1996	1995
Liabilities and Shareholders' Equity	JD ('000)	JD ('000)
Customer deposits	6 396 576	5 797 338
Bank deposits	2 472 452	2 185 968
Borrowed funds	17 064	21 453
Cash margin	412 443	370 803
Provisions	146 645	135 903
Proposed dividends and remunerations	17 655	15 455
Other liabilities	245 300	216 709
<b>Total Liabilities</b>	<b>9 708 135</b>	<b>8 743 629</b>
Capital	44 000	44 000
Statutory reserve	44 000	44 000
Voluntary reserve	142 000	116 000
General reserve	400 000	348 000
<b>Total Shareholders' Equity</b>	<b>630 000</b>	<b>552 000</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>10 338 135</b>	<b>9 295 629</b>
Guarantees, letters of credit and acceptances	3 143 859	3 631 792
<b>Total</b>	<b>13 481 994</b>	<b>12 927 421</b>

### Cash Flow Statement for the years ended 31 December 1996 and 1995

	1996	1995
	JD ('000)	JD ('000)
<b>Cash flow from operating activities:</b>		
Interest and commission received	807 837	784 003
Interest and commission paid	(525 866)	(487 928)
General and administrative expenses paid	(143 776)	(129 038)
<b>Net cash provided from (used in) operations before changes in assets and liabilities</b>	<b>138 195</b>	<b>167 037</b>
<b>(Increase) decrease in assets:</b>		
Loans and advances	(476 372)	(605 614)
Trading securities	618	106 097
Other assets	(64 956)	(11 677)
<b>Increase (decrease) in liabilities:</b>		
Customer deposits	599 238	455 992
Bank deposits	286 484	515 150
Cash margin	41 640	35 331
Other liabilities	65 854	6 142
<b>Net cash provided from (used in) operations before income tax</b>	<b>590 701</b>	<b>668 458</b>
Income tax paid	(30 649)	(28 702)
<b>Net cash provided from (used in) operations</b>	<b>560 052</b>	<b>639 756</b>
<b>Cash flow from investing activities:</b>		
(Purchase) sale of fixed assets	(14 385)	(6 535)
(Purchase) sale of long-term investments	(171 837)	(173 143)
(Purchase) sale of government securities	(48 128)	(170 465)
<b>Net cash provided from (used in) investing activities</b>	<b>(234 350)</b>	<b>(350 143)</b>
<b>Cash flow from financing activities:</b>		
Borrowed funds from Central Banks	(4 389)	7 482
Dividend paid to shareholders	(15 455)	(15 455)
<b>Net cash provided from (used in) financing activities</b>	<b>(19 844)</b>	<b>(7 973)</b>
<b>Net increase (decrease) in cash</b>	<b>305 858</b>	<b>281 640</b>
<b>Cash and cash equivalent at beginning of the year</b>	<b>4 146 594</b>	<b>3 864 954</b>
<b>Cash and cash equivalent at end of the year</b>	<b>4 452 452</b>	<b>4 146 594</b>

### Conversion rates of foreign currencies against the Jordanian Dinar for consolidation purposes

Currency	End 1996	End 1995	Currency	End 1996	End 1995
Bahraini Dinar	0.532	0.532	Pound Sterling	0.834	0.909
Cyprus Pound	0.663	0.643	Qatari Riyal	5.130	5.130
French Franc	7.388	6.918	Spanish Peseta	185.098	171.187
Greek Drachma	348.298	334.226	U.A.E. Dirham	5.180	5.180
Italian Lire	2 156.800	2 237.140	U.S. Dollar	1.410	1.410
Korean Won	1 190.320	1 092.330	Yemeni Riyal	178.940	179.240
Lebanese POUND	2 188.320	2 250.360			





# ARAB BANK GROUP

## Balance Sheet as of 31 December 1996 and 1995

Assets	1996 US\$ ('000)	1995 US\$ ('000)
Cash and due from banks	4 272 371	3 954 869
Funds with central banks	1 750 741	1 753 422
Government securities	912 919	1 093 771
Trading securities	165 970	34 698
Loans and advances, net	6 829 633	6 074 384
Long-term investments, net	1 534 317	1 162 730
Fixed assets, net	98 699	93 637
Other assets	338 799	237 091
<b>Total Assets</b>	<b>15 903 449</b>	<b>14 404 602</b>
Customers' liability on guarantees, letters of credit and other contingencies	4 883 187	5 580 698
<b>Total</b>	<b>20 786 636</b>	<b>19 985 300</b>

Liabilities and Shareholders' Equity	1996 US\$ ('000)	1995 US\$ ('000)
Customer deposits	9 680 749	8 751 223
Bank deposits	3 303 474	2 954 149
Borrowed funds	24 060	30 249
Cash margin	598 104	543 640
Provisions	369 660	302 782
Proposed dividends and remunerations	32 237	26 363
Other liabilities	492 706	528 302
<b>Total Liabilities</b>	<b>14 500 990</b>	<b>13 136 708</b>
<b>Shareholders' Equity</b>		
Capital	84 897	84 897
Statutory reserve	78 766	77 914
Voluntary reserve	218 836	179 230
General reserve	738 626	641 782
Reserves with associated companies	311 867	278 308
Retained earnings	483	5 763
Translation adjustments	(31 016)	0
<b>Total Shareholders' Equity</b>	<b>1 402 459</b>	<b>1 267 894</b>
<b>Total liabilities and Shareholders' Equity</b>	<b>15 903 449</b>	<b>14 404 602</b>
Guarantees, letters of credit and other contingencies	4 883 187	5 580 698
<b>Total</b>	<b>20 786 636</b>	<b>19 985 300</b>

### Income Statement for the years ended 31 December 1996 and 1995

	1996 US\$ ('000)	1995 US\$ ('000)
Interest income	1 252 857	1 180 128
Commission income	111 807	98 435
Less: Interest expense	834 214	792 250
Commission expense	4 483	4 090
<b>Net interest and commission</b>	<b>525 967</b>	<b>482 223</b>
Less: Provision for doubtful debts and investments	51 580	56 738
<b>Net interest and commission after provision</b>	<b>474 387</b>	<b>425 485</b>
Plus: Foreign exchange trading	25 518	31 854
Other income	41 507	16 513
	<b>541 412</b>	<b>473 852</b>
Less: General and administrative expenses	268 065	245 157
<b>Net income before tax</b>	<b>273 347</b>	<b>228 695</b>
Income tax	75 529	60 655
<b>Net income</b>	<b>197 818</b>	<b>168 040</b>
<b>Appropriation</b>		
Net income	197 818	168 040
Retained earnings brought forward	5 763	3 254
To statutory reserve	852	433
To voluntary reserve	39 606	31 020
To general reserve	96 844	70 587
To reserves with associated companies	33 559	37 128
Proposed cash dividends	32 159	26 285
Directors' remunerations	78	78
Retained Earnings Carried Forward	483	5 763
<b>Total appropriation</b>	<b>203 581</b>	<b>171 294</b>

### Arab Bank Group Sister, Subsidiary & Associated Companies

Arab Bank	Percentage of Ownership
Arab Bank (Switzerland) Ltd.-Zurich, Geneva	100%
Arab Bank Australia Ltd.-Sydney	100%
Arab Bank (Austria) AG-Vienna	100%
Arab Bank AG - Frankfurt/Germany	100%
Arab Tunisian Bank-Tunis	64%
Arab Bank Maroc-Morocco	50%
Oman Arab Bank-Oman	49%
Arab National Bank-Saudi Arabia	40%
Arabia Insurance co., Lebanon	37%
Commercial Building Co.	30%

### ARAB BANK

GENERAL MANAGEMENT, SHMEISANI,  
AMMAN, P.O.BOX 950544-5. TEL.: (962) (6) 607115, 607231  
TELEX: 23091 ARABNK JO, FAX: (962) (6) 606793



# ARAB BANK PLC

## BOARD OF DIRECTORS' 67th ANNUAL REPORT

### PERFORMANCE OF THE GROUP'S ENTITIES

The Group's consolidated financial statements include the financial statements of Arab Bank Plc, Arab Bank (Switzerland) Ltd., a sister company wholly owned by the shareholders of Arab Bank Plc, and the following wholly and majority owned subsidiaries:

- Arab Bank AG, Frankfurt, wholly owned subsidiary.
- Arab Bank Australia Ltd., wholly owned subsidiary.
- Arab Bank (Austria) AG, wholly owned subsidiary.
- Arab Tunisian Bank, 64.24% owned.

#### Arab Bank Plc

Arab Bank Plc was established in 1930. It is registered in Jordan as a public shareholding company. Arab Bank Plc is one of the principal financial institutions in the Arab world and ranks among the leading international banks in terms of equity, earnings, and assets. It is engaged in providing a wide variety of financial services, which include retail banking, private banking, trade financing, merchant banking, commercial real estate lending and international banking.

#### Results of operations

Net income after tax reached JOD 95.7 million, representing an increase of JOD 15.2 million or 18.9% over 1995. The following table contains the comparative figures of the revenue components:

	in JOD millions			
	1996	1995	Variance	
	JOD			
Revenue				%
Net interest	220.0	203.8	16.2	8.0
Net commission	59.2	52.6	6.6	12.5
Foreign exchange	12.1	16.3	(4.2)	(25.8)
Other revenue	27.3	9.6	17.7	184.4
Total	318.6	282.3	36.3	12.9

Operating expenses increased by JOD 16.7 million or 12.2% to reach JOD 137.7 million from JOD 121.0 million in 1995. Changes in the main components of operating expenses are presented in the following table:

	in JOD millions			
	1996	1995	Variance	
	JOD			
Expenses				%
Staff	84.0	73.6	10.4	14.1
Information system	12.3	11.3	1.0	8.8
Depreciation	9.9	7.9	2.0	25.3
Other operating expenses	47.0	44.2	2.8	6.3
Total	153.2	137.0	16.2	12.2

#### Financial position

The shareholders' equity rose by JOD 78.0 million to reach JOD 630.0 million, a 14.1% increase over the figure of JOD 552.0 million in 1995. The capital adequacy ratio for the Bank at the end of 1996 was 14.24% compared to 13.76% at the end of 1995.

Customer deposits improved in 1996 to reach JOD 6,396.6 million from JOD 5,797.3 million in 1995. Total external funds including deposits from banks rose to JOD 9,298.5 million compared to JOD 8,375.5 million in 1995, representing an improvement of JOD 923.0 million or 11.0%. Total assets increased by JOD 1,042.5 million or 11.2%. A comparative analysis of Arab Bank assets in 1996 and 1995 is presented below:

	in JOD millions			
	1996	1995	Variance	
	JOD			
Cash and marketable securities	5,192.4	4,839.1	353.3	7.3
Loans and advances	4,163.3	3,711.1	452.2	12.2
All other assets	982.4	745.4	237.0	31.8
Total	10,338.1	9,295.6	1,042.5	11.2

The good growth of net income affected positively the profitability of the Bank. Equity ratios were also enhanced as a result of retaining a significant part of net income. Liquidity declined slightly after the increased investments in risk assets. A comparative analysis of Arab Bank's main financial ratios is presented in the following table:

	1996		1995	
	%	%	%	%
<b>Liquidity ratios:</b>				
Cash and quasi-cash to total assets	50.2	52.1		
Cash and quasi-cash to total external funds	55.8	57.8		
<b>Equity ratios:</b>				
Shareholders' equity to total assets	6.1	5.9		
Capital adequacy	14.2	13.8		
<b>Performance ratios:</b>				
Net income to total assets	0.9	0.9		
Net income to shareholders' equity	15.2	14.6		
Income per share	JOD 21.7	JOD 18.3		

#### Dividends

Starting 1 January 1996, the new Jordanian tax law became effective. An amount of 10% of dividends has to be withheld and paid directly by the Bank to the tax authorities. Arab Bank decided to increase the cash dividends from JOD 3.5 per share to JOD 4.0 per share in order to compensate the shareholders for the new withholding tax. Total cash dividends inclusive of the withholding tax reached JOD 17.6 million compared with JOD 15.4 million in 1995.

#### Other achievements

The management continued its hard work to improve customer services and to enhance the shareholders' net worth. Extraordinary efforts were concentrated on private banking, staff, the branch network and information technology.

#### Private banking

Market studies carried out by Arab Bank have revealed that the major Arab domestic markets are poised to experience further increased development in the growth-oriented trend during the next 5 to 10 years. Inter-Arab trade and investment opportunities are expected to grow through liberalisation and the gradual build-up of Arab Capital Markets. Arab and international private investors as well as entrepreneurs are anticipated to play a major role in the new global environment.

Arab Bank's commitment to its traditional role of active financier and advisor to its Private Clients has been further strengthened and enhanced by the formation of a dedicated and experienced team to lead Arab Bank Private Banking activities. The mandate of this new team will entail satisfying clients' needs through working with Arab Bank's network entities, located in both domestic and international markets, to deliver quality private banking services and products. Accordingly, an Asset Management team will be established early in 1997, within the Arab Bank Private Banking Division. This new team will incorporate the in-depth knowledge of Arab markets and expertise of international markets accumulated through the Bank's international units. The team will offer suitable asset allocation proposals, investment opportunities in the form of common investments (Mutual Funds) or through direct investments, to its clients. Investment proposals will include both local and international currencies and products reflecting a truly global competitive offering.

#### Staff

Improving the staff technical and professional ability continued to be a prime objective in the Bank. Total number of employees reached 5,139 in addition to the employees of the subsidiaries, sister institution and affiliates. In-house and external training programmes were developed and used by a significant number of employees. Total training cases reached 1,164 at the end of 1996.

#### Branch network

Arab Bank continued to supplement its worldwide branch network. In Jordan, a new branch in Amman as well as five offices commenced operations. Two additional branches were opened in Palestine, in Hebron and Ramallah. Outside the Arab world, a representative office in Santiago, Chile, and another in Shanghai, China, were established in 1996 and a new office created in Cyprus.

#### Information technology

The Bank continued to employ the latest technology to improve its system and services. Internet users can now connect to Arab Bank web site 'arabbank.com' and obtain various information about the Bank. They can also communicate with the Bank's main branches. Visa Electron cards are being issued by the Bank and all Visa / Plus cards will be accepted on its ATM network. Arab Bank branches began displaying a multimedia film to customers in order to promote services.

#### Arab Bank (Switzerland) Ltd.

Arab Bank (Switzerland) Ltd. was constituted as an independent Swiss company in 1962. Its head office is located in Zurich with a branch in Geneva. The bank's shareholders are identical to those of Arab Bank Plc. The Bank offers comprehensive services in all major banking areas and combines the Swiss tradition in private banking with a global perspective. Switzerland's stability and confidentiality as well as the efficient and personal service provided by Arab Bank (Switzerland) Ltd. are the key factors in its continuous success.

#### Performance in 1996

The Swiss Franc depreciated against the USD during most of 1996. It declined from 1.1550 at the beginning of the year to 1.3490 at the end of the year. The impact of fluctuations in the exchange rate was reflected in the Bank's balance sheet as well as in the income statement.

The balance sheet total of CHF 1,480.3 million increased by CHF 164.9 million or 12.5% mainly as a result of a weaker Swiss Franc. Lendings to customers increased by CHF 51.1 million to reach CHF 356.7 million. Inter-bank business and loan exposure do not contain risks that demand specific provisions. Net income for the year amounted to CHF 17.3 million without any significant change from last year's figures. The decline in net interest income was compensated by a better income achieved in other activities. Operating expenses continued at the same level of the previous year recording CHF 17.4 million. The Board of Directors proposes to the General Meeting of Shareholders the distribution of CHF 5.3 million as

cash dividends and the allocation of CHF 11.5 million to special reserve and CHF 0.5 million to legal reserve.

#### Arab Bank Australia Limited

Since obtaining an unrestricted banking authority from the Reserve Bank of Australia in September 1994, Arab Bank Australia Limited now provides a wide range of banking services to the large Arabic community of Sydney. The Bank continued its expansion as a retail bank by opening a sixth branch in the Western Sydney suburb of Auburn in March 1996.

The Bank is also actively involved in providing trade finance services and promoting trade between Australia and the Middle East.

Profit before tax in 1996 was AUD 1.3 million compared to AUD 1.0 million in 1995. The 1996 profit included a general provision for doubtful debts of AUD 0.5 million. Despite increased pressure on lending margins, income increased by 12% while operating expenses were held to only a 3% increase.

Assets rose to AUD 208.2 million from AUD 170.0 million in 1995. Deposits and other liabilities grew from AUD 117.0 million to AUD 153.2 million in 1996, an increase of AUD 36.2 million. After growing by 181% in 1995, customer deposits were increased in 1996 by a further 131%.

#### Arab Bank (Austria) AG

Arab Bank (Austria) AG was established in February 1987 in Vienna and commenced its operations in May the same year. Arab Bank (Austria) AG is an independent Austrian bank with an unrestricted licence to perform all banking activities. It provides a wide range of services to individuals, corporate and institutional clients, government agencies and other international financial institutions.

One of its key missions is to develop the Group's relationships with Eastern Europe and Russia. For several years now it has been offering services to our customers such as the financing of trade, information on investment opportunities and the introduction of appropriate partners in that area.

Compared to the previous year the Bank's balance sheet reflected an overall growth of 7.5%. Deposits from customers and non-Group banks increased to ATS 1.5 billion from ATS 1.4 billion and total loans increased by 60% to reach ATS 70.2 million.

#### Arab Bank AG

Arab Bank AG, a wholly owned subsidiary of Arab Bank Group, commenced operations in 1993 with a full commercial banking licence and the ability to provide branch banking within the European Union. Accordingly, Arab Bank AG plays a significant role in promoting Arab-European trade and economic cooperation. The Bank provides its customers with a full range of banking services, including investments and treasury products.

In 1996 the Bank made total profits of DEM 0.9 million. Total assets grew by DEM 70.0 million to DEM 542.0 million. The total balance sheet including contra accounts rose to DEM 862.0 million, which is an increase of DEM 176.0 million over 1995. Total capital funds of Arab Bank AG amount to DEM 98.0 million.

The Bank primarily offers its services to German corporations dealing with the Arab world. It also tries to expand business relations to German corporations, interested in doing business in Eastern Europe and Turkey. The service capabilities include money markets and foreign exchange dealings.

#### Arab Tunisian Bank

The Arab Tunisian Bank's (ATB) traditional approach in combination with its progressive activities produced respectable gains for the year ended 31 December 1996. Net income after tax increased to TND 7.2 million from TND 6.4 million in 1995. Total revenue advanced to TND 58.3 million from TND 52.7 million or 10.6% over 1995. Total assets were augmented by TND 126.0 million or 19.6%, reaching TND 768.0 million compared to TND 642.0 million over the previous year.

The following table depicts the comparative net interest income for 1996 over 1995.

As can be seen, in 1996, ATB posted an increase in net interest income of 29.9% or TND 4.6 million.

	in TND millions			
	1996	1995	Variance	
	TND			
				%
Interest income	41.2	35.8	5.4	15.1
Interest expense	21.2	20.4	0.8	3.9
Net interest income	20.0	15.4	4.6	29.9

The enhanced position of ATB was the result of growth in the loan portfolio and the decline in treasury expenses following the realisation of an increased capital. In 1996 the outstanding 75% of the 1995 share capital increase was paid-up. The loan and shares portfolio grew to TND 474.0 million compared to

TND 430.0 million in 1995, a rise of 10.2%. This increase did not weaken the strong liquidity position of ATB as there was also an improvement in external funds, particularly stable customer deposits.

The composition of external funds for 1996 and 1995 are compared in the following table:

	in TND millions			
	1996	1995	Variance	
	TND			
				%
Customer deposits	438.0	361.0	77.0	21.3
Bank deposits	118.0	46.0	72.0	156.5
Other resources	24.0	20.0	4.0	20.0
Cash margin	10.0	15.0	(5.0)	(33.3)
Total	590.0	442.0	148.0	33.5

To better serve its customers and increase profitability, ATB undertook a reorganisation in 1996. The Bank's automation was modernised and the process of ATB's integration into the environment was furthered. The plans for opening a new Bardo branch are almost complete. It is scheduled to be operational shortly.

Among the technological improvements implemented in 1996 was the installation of a new server designated to handle EFTPOS transactions. ATB is now the first Tunisian bank to establish a EFTPOS/SERVER link. In addition, ATB's Information Technology department has completed the Head Office cabling and is in the process of developing several applications within the new computer environment, including the installation of a new automated teller machine in the El Manzah branch.

The Board of Arab Bank Plc takes this opportunity to express its appreciation to the shareholders and customers of Arab Bank Group for their trust and confidence and to the staff for their loyalty and dedicated work.

#### The Board of Directors

### ARAB BANK PLC GENERAL ASSEMBLY AGENDA

The following are the items on the agenda of the General Assembly to be held on 28 March 1997:

1. Presentation and adoption of the Minutes of the previous 66th meeting of the General Assembly.
2. Presentation of the report of the Board of Directors for the year 1996 and outlook for 1997.
3. Presentation of the Auditors' Report on the financial statements of the Bank for the financial year 1996.
4. Presentation and approval of the financial statements of the Bank for the year 1996 and adoption of the recommendation of the Board of Directors to distribute a dividend for the year 1996 at the rate of JOD 4.0 per share, being 40% of the nominal value of JOD 10 per share.
5. Approval of the Board of Directors' decision on 29 August 1996 to elect Mrs. Nazek Oudeh Al-Hariri as a member of the Board of Directors of Arab Bank Plc effective 29 August 1996 to fill the vacant position in conformity with Paragraph A of Article 178 of the Jordan Temporary Company Law (1), 1989 and Article 40 of the Bank's Articles of Association.
6. Release of the members of the Board of Directors from liability for the year 1996.
7. Election of the Bank's Auditors for the year 1996 and determination of their remuneration.
8. Approval of the appointment of Saba & Company as the Bank's external Auditors for Lebanon branches for a three-year period starting January 1st, 1996, in conformity with Articles (189) and (186) of the Lebanese Monetary and Credit Law.
9. Other issues.



# ARAB BANK PLC



## BOARD OF DIRECTORS' 67th ANNUAL REPORT

For the year ended 31 December 1996, submitted to the General Assembly of Shareholders at the Annual Meeting held at the Bank's Head Office Building, Shmeisani, Amman, at 10 a.m., on Friday, 28 March 1997.

### To the Shareholders,

The 1996 performance of Arab Bank Group reflects the extraordinary effort and dedication management directed toward the realisation of the three main objectives targeted by the Group.

The first objective, the efficient and effective management of overall control of total risks, will ensure the sound continuity of the Group. By minimising exposure to adverse circumstances, the Group will not be forced to divert significantly from its established policies.

The second objective is the qualitative development of the Group's operations, enabling it to function competently amidst the complex and challenging changes affecting the banking industry.

The continuous enhancement of the general framework of banking services offered by the Group constitutes the third objective. Presently, the Group's product line is being augmented to provide clients with a more complete service, guaranteeing a swift and appropriate response to their needs as well as a positive contribution to their success.

Directed toward achieving these three objectives, Arab Bank Group's hard work and perseverance has resulted in a perceptible improvement in genuine growth and productivity. This has also been accompanied by an increase in the Group's financial strength and the qualitative improvement of shareholders' rights.

In the paragraphs which follow, we are pleased to present to you a summary of the prevailing conditions affecting the business environment in 1996 as well as an analysis of the strong financial position and performance posted by the Group.

### Business environment

General world economic and financial conditions were encouraging, with modest economic growth achieved during 1996. World growth in real GDP rose by 3.0%. The major industrial countries' real GDP growth rate increased by 2.3%. Short-term interest rates posted a significant decline for most of Europe and Canada, caused in part by low inflation and weak growth. More modest declines occurred in the United States and Japan where growth was relatively stronger. North American stock markets continued to achieve strong gains. The rise of the United States Dollar during 1996, especially against the Japanese Yen, German Mark and Swiss Franc, brought these currencies more in line. In the Middle East, foreign investments have eased and economic performance has sagged. This will continue to remain so, for as long as the realisation of a just and lasting peace remains elusive.

In the United States real GDP rose by 2.3%. The recent recovery of consumer confidence has exceeded that of other industrial countries, and resulted in the United States becoming the only major industrial country to succeed in operating close to its estimated economic capacity. By achieving growth close to its full potential, during a period of low inflation, coupled with a relatively flexible and dynamic labour and product market, the country has been successful in achieving and maintaining a relatively low unemployment level of 5.4%. In conjunction with these improvements, the general government budget deficit has continued to decline.

In Japan, a correction of the earlier overvaluation of the Yen, supportive fiscal policies and easier monetary policy, combined with the strengthening of business and consumer confidence, placed the economy on the path to recovery. Real GDP growth rate increased by 3.7%, while the unemployment rate decreased by a slight margin, remaining relatively stable at 3.3%. However, difficulties arising from the weakness of the banking sector continue to pose a risk for Japan's steady economic growth.

The level of consumer confidence in most of the European Union (EU) countries, remained unimpaired, resulting in disappointing levels of performance. Across much of Europe unemployment levels continued to remain high and in many cases increased. These high rates of unemployment, representing considerable under utilisation of labour resources, have reduced potential output significantly. Real GDP growth rates remained sluggish and unimpressive, due in large measure to the enactment of restrictive monetary policies and the necessary structural adjustments, which are required for countries to meet the convergence criteria for European Monetary Union as laid down in the Maastricht Treaty.

Growth has remained fairly stable for the developing countries as a whole, showing approximately a 6.3% real GDP increase. Activity in emerging market countries was generally expected to remain buoyant on the basis of strong domestic demands and steady large capital inflows, especially of foreign direct investment. Production of crude oil remained stable and, due to favourable oil prices, petroleum producing countries were able not only to substantially reduce their fiscal/budget deficits, but also to implement future investment plans.

### FINANCIAL REVIEW

The analysis of Arab Bank Group's financial statements and the results of operations is presented in the following section. The financial statements, which are also included in this report, are presented in US Dollars after the translation of all the Group members' financial statements into US Dollars, which is the functional and reporting currency of the Group. Arab Bank PLC and Arab Bank (Switzerland) Ltd. constitute around 90% of the total assets of the Group. The reporting currencies of the two entities are the Jordanian Dinar and the Swiss Franc respectively. The average exchange rate of the Jordanian Dinar against the US Dollar was fixed at 0.709 in 1995. The Swiss

Franc exchange rate was 1.3490 at the end of 1996 and 1.1550 at the end of 1995.

### Results of operations

#### Overview

In 1996, Arab Bank Group achieved outstanding financial results. Net income after tax reached USD 197.8 million. Total revenue was augmented to USD 541.4 million from USD 473.9 million. Net income per share (on the basis of Arab Bank PLC common share of 4,400,000) was 17.7% better than in the previous year, recording USD 45.0 per share compared to USD 38.2 per share in 1995. The cash dividend was also increased from USD 26.3 million to USD 32.2 million.

#### Interest and commission income

The Group realised an increase of USD 43.7 million in net interest and commission income representing 9.1% over 1995. The following table contains comparative figures for the two years:

	in USD millions		Variance	%
	1996	1995	USD	%
Interest and commission income	1,364.7	1,278.6	86.1	6.7
Interest and commission expense	838.7	796.3	42.4	5.3
Net interest and commission	526.0	482.3	43.7	9.1

The percentage of interest income to total assets was 7.9% in 1996 compared to 8.2% in 1995. A lower interest rate on most currencies explains the decline in the gross return on assets. However, the net interest and commission income to total asset ratio was 3.5% almost without change from the previous year. The pre-planned growth in loan portfolio and other risk assets compensated for the lost revenue on internal funds due to the decline in interest rates.

#### Revenue from foreign exchange trading

Only toward the end of 1996, did the US Dollar start to appreciate aggressively against other major currencies and, except for the gradual increase of the value of the Pound Sterling, the foreign exchange market during most of the year was relatively stable. On the other hand, the value of the Jordanian Dinar against the US Dollar was fixed by the Central Bank of Jordan in 1995 at an average rate of JOD 0.709 per one USD. The revenue from foreign exchange trading declined to USD 25.5 million from USD 31.9 in 1995. The foreign exchange trading positions opened as part of the Group's activities are liquidated on a daily basis. Exceptions in extraordinary circumstances are limited to small amounts and they are well-controlled by higher levels of management.

#### Other revenues

Other revenues improved significantly to USD 41.5 million from USD 16.5 million in 1995. The gain of USD 25.0 million or 151.4% over the previous year was the result of income derived from trading portfolio and recovered bad debts. Other revenues also included revenues from leased premises, services to clients and several other items of non-recurring nature.

#### Revenue-related expenses

Revenue-related expenses are composed mainly from specific and general provisions for doubtful debts and investments. The good asset quality of the Group as well as the rise in sovereign debt market prices lessened the need to increase substantially the earmarked provisions of risk assets. In 1996, total provisions debited to the profit and loss account were USD 51.6 million compared to USD 56.7 million in the previous year, representing a decline of USD 5.1 million or 9.1%.

#### Operating expenses

Total operating expenses increased to USD 268.0 million from USD 245.2 million. In spite of the increase of USD 22.8 million or 9.3% increase in operating expenses, it only represented 49.5% of total revenue compared to 51.7% the previous year. The following table contains a detailed comparative analysis of operating expenses:

	in USD millions		Variance	%
	1996	1995	USD	%
Staff	145.1	131.2	13.9	10.6
Information system	18.6	17.6	1.0	5.7
Depreciation	17.8	14.0	3.8	27.1
Other operating expenses	86.5	82.4	4.1	5.0
Total	268.0	245.2	22.8	9.3

#### Net income and income tax

Income before tax and net income after tax are presented below:

	in USD millions		Variance	%
	1996	1995	USD	%
Net income before tax	273.3	228.7	44.6	19.5
Income tax	75.5	60.7	14.8	24.4
Net income after tax	197.8	168.0	29.8	17.7

Net income after tax in 1996 was slightly short of USD 200.0 million, representing an improvement of 17.7% over the figures of 1995. Income tax does not include taxes paid in affiliated companies. It only represents income tax relating to Arab Bank PLC, its sister institution and subsidiaries. The main reasons for the increase of the Group's income tax was the impact of the new tax law in Jordan which was activated in 1996. According to the new law, 20% of non-Jordanian income of Arab Bank PLC is to be subjected to Jordan income tax. In spite of the increase in taxes, profitability ratios were

better in 1996. Net income represented 36.5% of total revenue in comparison to 35.5% in 1995. Net income to shareholders' equity was improved to 14.1% from 13.3%. Net income to total assets was 1.24% in 1996 compared to 1.17% in 1995.

### Financial Position

#### Credit management

To manage balance sheet and off-balance sheet exposure, the Group risk control process is applied globally. Responsibilities for credit risks are shared between line units and Head Office. The branches and subsidiaries have a primary responsibility to evaluate credit risks and ensure that each individual credit exposure is well-controlled and managed. The line manager has the authority to grant credit up to a certain pre-determined amount. At Head Office, the decisions related to credit are handled by committees at three different levels:

- Credit department committee
- Credit management committee
- Senior authority committee.

Risk assets are divided into three different groups: Jordan, Arab countries and international. Each area is controlled by a specialised credit department. The Assistant General Manager for credit coordinates and supervises the three credit departments and heads the credit management committee. The senior authority committee is chaired by the General Manager and includes the Deputy General Manager, the Assistant General Manager and the three Senior Managers of the credit departments.

#### Development of loan portfolio

Loans and advances net of provisions grew by USD 755.2 million, representing an increase of 12.4% to reach USD 6,829.6 million at the end of 1996. The off-balance sheet exposure declined by USD 697.5 million or 12.5%, thus leaving total credit risk of the Group at the same level as of 1995. The following table contains the comparative data of the Group credit risk in 1996 and 1995:

	in USD millions		Variance	%
	1996	1995	USD	%
Loan portfolio, net	6,829.6	6,074.4	755.2	12.4
Off-balance sheet				
Acceptances	241.1	202.8	38.3	18.9
Letters of credit	1,308.5	1,527.8	(219.3)	(14.4)
Letters of guarantee	2,323.7	2,308.5	15.2	0.7
Undrawn loans	1,009.9	1,541.6	(531.7)	(34.5)
Total off-balance sheet	4,883.2	5,580.7	(697.5)	(12.5)
Total exposure	11,712.8	11,655.1	57.7	0.5

Loans and advances composed 42.9% of total assets in 1996 compared to 42.2% at the end of the previous year. They also represented 4.9 times the shareholders' equity compared to 4.8 times at the end of 1995.

#### Provisions for doubtful debts

The provisions for doubtful debts are determined by the evaluation of individual credits and changes in the quality of credit portfolio levels of non-accrual loans, economic conditions, changes in size and character of credit risks and other related factors. Risk assets are classified according to their quality into six groups: current, watchlist, special mention, substandard, doubtful and loss. Credits with serious degrees of classification are reviewed by Head Office on a quarterly basis. The credit portfolio is reviewed semi-annually in order to assess sufficient provisions. Levels and amounts of provisions are also examined in the light of the monetary authorities' guidelines as well as studies performed by the external auditors. The Group ceases to accrue interest on doubtful debts as soon as they are classified as such. Arab Bank Group's provisioning policies far exceed the industry norms and monetary authorities' guidelines. Balances of credit risk provisions are presented in the following table:

	in USD millions		Variance	%
	1996	1995	USD	%
Provisions	367.6	247.0	120.6	48.8
Interest in suspense	71.3	50.3	21.0	41.7
Total	438.9	297.3	141.6	47.6

#### Liquidity management

Liquidity management policy of Arab Bank Group is an important element of its strategic orientation. Liquidity is defined as the ability to meet near-term and projected long-term funding commitments, while supporting future expansion in a manner consistent with the Bank's strategic plans. Arab Bank Group maintains higher liquidity than the acceptable norm of the banking industry. The high liquidity enables the Group to survive in the extraordinary unstable political environment of the Middle East. For liquidity management purposes, the Group is divided into several regional centres. Each centre is responsible for the operating units in its area and has its own funding and liquidity plans in accordance with the policies of the Group management. Liquidity is managed and monitored on a daily basis by the Treasurer and the Manager, Asset/Liability Management Committees in the centres coordinate liquidity position on a weekly basis. At Head Office, the High Asset/Liability Management Committee monitors and supervises the liquidity position of the Bank on a monthly basis. Strategies and adjustments of policies are carried out quarterly.

Prudent liquidity analysis at all levels includes dividing the assets and liabilities into different maturity bands. It also includes analysis of the sources of funds, their stability and cost. The following table gives a comparative analysis of the liquid assets of the Group:

	in USD millions		Variance	%
	1996	1995	USD	%
Cash and banks	6,023.1	5,708.3	314.8	5.5
Government securities	912.9	1,093.8	(180.9)	(16.5)
Trading securities	196.0	34.7	161.3	378.3
Total	7,132.0	6,836.8	295.2	4.3

It can be observed from the previous table that the percentage of the liquid assets, increased by 3.9%. It should be noted that liquidity assets on average mature within three months.

The external sources of funds at the end of 1996 and 1995 are presented below:

	in USD millions		Variance	%
	1996	1995	USD	%
Customer deposits	9,680.7	8,751.2	929.5	10.6
Bank deposits	3,327.5	2,984.4	343.1	11.5
Cash margin	598.1	543.6	54.5	10.0
Total	13,606.3	12,279.2	1,327.1	10.8

Customer deposits are composed of stable funds that have remained with the Bank for continuous and stable periods. Core deposits are estimated at 80%.

The following table gives some liquidity ratio measures for the Group at the end of 1996 and 1995:

	in USD millions		Variance	%
	1996	1995	USD	%
Cash and quasi-cash to total external funds	52.2	55.7	(3.5)	(6.3)
Cash and quasi-cash to total assets	44.7	47.5	(2.8)	(5.9)
Customer deposits and cash margin to loan portfolio	150.5	153.0	(2.5)	(1.6)
Customer deposits and cash margin to total assets	64.6	64.5	0.1	0.2

#### Interest rate risk management

The Group aims to minimise the negative impact on net income of the adverse movements on interest rates. Value at risk is monitored and controlled closely. The Group manages its interest rate risks in accordance with the policy and limits established by the Head Office of the Bank. Asset/Liability Management Committees in the centres as well as Treasurers handle the day-to-day management of interest rate risks. The Asset/Liability Management Committee at Head Office deals with strategic positions and policies. Arab Bank Group also takes a conservative approach in its interest rate risk management.

In general, the Bank matches the maturity of its assets and liabilities. The Group trading and dealing in interest rate derivatives is mostly limited to capping its mismatch position.

The impact of interest rate risk management as well as other dimensions of risk supervision are reflected in the net interest and commission in the Group's financial results. The return on average total assets of the Group for 1996 and 1995 is presented below:

	in USD millions		Variance	%
	1996	1995	USD	%
Net interest and commission	526.0	482.3	43.7	9.1
Average total assets	15,154.0	14,264.7	889.3	5.5
Return on average assets	3.5%	3.4%	0.1%	2.9

From the above, it can be observed that the Group increased its effectiveness in 1996. The return on average assets was improved to 3.5% from 3.4%.

#### Capital management

The main objective of capital management is to provide the shareholders of the Group with sufficient return on equity without exposing the Bank to unwarranted risks. A solid capital base combined with above average liquidity underlines the extraordinary financial strength of Arab Bank Group. Capital management is carried out by the General Manager and the High Asset/Liability Management Committee at Head Office. The Group concentrates on enhancing its equity by retaining income. The continuous development of equity aims to meet the growing needs of the branches and subsidiaries. At the end of 1996, total shareholders' equity reached USD 1,402.5 million representing an improvement of 10.9% over the previous year's figures. It amounted to 9.3% of average total assets compared to 8.8% in 1995. The following table represents the calculation of the capital adequacy ratio, according to the BIS rules, at the end of 1996 and 1995:

	in USD millions		Variance	%
	1996	1995	USD	%
Equity (*)				
Tier 1	1,112.3	989.6	122.7	12.4
Tier 2	358.2	134.8	223.4	165.7
Risk weighted assets	9,138.0	7,682.2	1,455.8	18.9
Capital adequacy ratio	16.09%	14.64%	1.45%	9.9

(\*) Group equity minus reserves with associated companies. The improvement in the capital adequacy ratio is justified, in view of the continuous demand of the regulatory authorities for capital funding of our operating units. At the end of 1997, all multinational banks will be obliged to provide additional capital to meet the Basel Committee requirements for market risks in addition to the 8% capital required for credit risk weighted assets.



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ARAB BANK, GENERAL MANAGEMENT, SHMEISANI, AMMAN, P.O.BOX 950544-S.TEL : 607115, 607231, TELEX : 23091 ARABNK JO, FAX : (962) (6) 606793

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## Anti-Israeli protest held in Karameh

KARAMEH, Jordan (AFP) — Around 300 Jordanians held a demonstration near the Israeli border on Friday to protest against Jewish settlements in the Palestinian territories and demand Israel's ambassador be expelled.

The protest at Karameh in the Jordan Valley was organised by a grouping of political parties, unions and student and women's groups all opposed to the 1994 peace treaty between Jordan and Israel.

The gathering was a precursor to Land Day on March 30, when Palestinians hold large protests against Israeli land confiscations.

Demonstrators held up banners demanding "the expulsion of the Zionist ambassador in Amman" and insisting Jerusalem must never be given up.

Some banners also raged against the U.S. vetoes of U.N. Security Council resolutions condemning Israeli construction of a new Jewish settlement in Arab East Jerusalem.

"The American veto proves American bias against the Arabs," said one slogan.

Speakers also praised the rogue Jordanian soldier who shot dead seven Israeli schoolgirls at a border site earlier this month.

Witnesses said police intervened to stop the protesters approaching the King Hussein bridge.

Instead, the demonstrators held their prayers near the Martyrs of Karameh memorial.

## Ross: Violence must make way for dialogue

(Continued from page 1)

Erekat, the Palestinian negotiator, said Friday.

Growing distrust between the two sides underlies the crisis.

Israel feels Mr. Arafat will use violence as a negotiating tactic whenever it suits him.

The Palestinians suspect that Mr. Netanyahu has a hidden agenda of trying to avoid commitments made by his predecessors, such as returning large chunks of the West Bank to the Palestinians.

With both sides having lost faith, vigorous U.S. intervention will be needed to get talks going again, and it appeared likely that Mr. Ross might come back soon, or that Ms. Albright might make her first visit to the Middle East.

A first test of Mr. Arafat's new determination to restore calm will come on Sunday when Palestinians mark land day, the anniversary of Israeli expropriation of Arab land in the 1970s.

Palestinian activists have called for protest marches and sit-in strikes, and Israeli security officials are bracing for violence.

Israeli tanks and snipers have been put on standby in military bases outside Palestinian towns.

He made no public reference to the Palestinian position that a resolution of the crisis must include Mr. Netanyahu backing down on new settlements and other headline decisions.

"If you want the peace process to return to its natural course, Mr. Netanyahu must stop the settlement building in East Jerusalem and the West Bank," said Mr. Saeh Erekat.

Calling the current situation "a major crisis," Mr. Erekat added: "If Mr. Netanyahu takes one look in the mirror, he will realise the reason for this escalation of violence and counter-violence. He must choose between settlements and peace."

Mr. Ross's intervention appeared certain to fuel growing Palestinian frustration with Washington's Middle East policy, seen as increasingly pro-Israeli, notably after a double U.S. veto of U.N. resolutions condemning Mr. Netanyahu's settlement moves.

## Violent protests continue despite PNA police effort

(Continued from page 1)

and Arab Israeli citizens mark Land Day with rallies, strikes and demonstrations.

"I hope that these days pass quietly. We have the might and I very much hope that we won't have to use the forces we have already on the ground," said Chief of Staff General Amnon Shahak.

In September, soldiers

opened fire with live ammunition on similar Palestinian protests, drawing a return of fire from Palestinian police. The resulting gunbattles left over 80 dead.

Israeli police also beefed up security in West Jerusalem and other Israeli cities for fear of a repeat of last Friday's Palestinian suicide bombing in Tel Aviv which left three dead.

## Arab and Muslim states unite positions

(Continued from page 1)

on the appeals and take action against Israel.

"We will submit a resolution to the league asking member countries to condition relations with Israel on its serious implementation of agreements it struck with us," said Palestinian presidential spokesman Marwan Kanafani.

"Participants at the Islamic summit in Islamabad have backed a Palestinian request demanding that ties with Israel depend on the serious application of the accords," Mr. Kanafani added.

Egypt, home to the Arab League, and Syria, a key partner in the peace process, have both warned of an upsurge of violence if Israel does not back down on its settlement policies.

A columnist writing in an Egyptian government daily warned meanwhile that the Arabs should take some drastic action to put the peace process back on track "after having used up every possible peaceful diplomatic ploy."

"It would be enough, for example, for Arafat to announce his resignation and place Netanyahu and America in a very awkward position," Salama Salama wrote in Al-Ahram weekly newspaper.

"It would also be enough for the Arabs to stop buying billions of dollars of arms from America and the West. Arms only serve the economies of the West which support Israel completely," he said.

Al-Ahram editor-in-chief Ibrahim Nafeh called for "a government of national unity in Israel to save peace from destruction and the entire region from an explosion."

The Al-Quds Committee's final resolution "condemned Israel's continuation of its policy of expansion and colonisation in Arab Jerusalem and all other occupied Palestinian and Arab territories."

It called for the international community to put pressure on Israel to respect the autonomy accords signed with the Palestinians and resume peace negotiations with Syria "at the point where they have remained since their suspension." The talks were broken off in February 1996.

Israeli Prime Minister Benjamin Netanyahu, who took power after last June's elections, has refused to abide by any unwritten offer of the previous Labour government.

King Hassan, in a closing speech before the Al-Quds Committee which he chaired, said: "When we call for land-for-peace, we are also saying

it for the benefit of Israel... that is to say we commit ourselves (to Israel) to guarantee peace once it has returned our land."

Mr. Arafat launched an attack on "Israel's drive to 'Judaize' the Holy City of Jerusalem" and charged that it was planning to construct other Jewish settlements in Arab East Jerusalem.

"My accord with Yitzhak Rabin stipulates that not a single house can be added to the existing settlements," he said, referring to Israel's slain prime minister who was his former peace partner.

King Hassan earlier, in a message to participants in Rome of a symposium on Jerusalem, accused the Israeli government of showing "contempt" for the international community in its policies toward the city.

Israel's actions "aim to strip the city of its geographic and demographic characteristics," the king said. The Jewish state "shows no signs of being serious in its pretence to want to pursue the peace process."

In Israel, meanwhile, Foreign Minister David Levy condemned what he called "the reawakening of pan-Arabism which chooses Israel as its sole enemy," referring to a mounting campaign in the

Arab World against the Jewish state. Arab countries were closing ranks "to isolate us on the international front," Mr. Levy told Israeli television.

The head of the OIC, which had urged a suspension of ties, said in his report to the Rabat meeting that Muslim nations should "bring all forms of aid and support to the cause" of an Arab Jerusalem.

But Izzeddine Laraki only called for "a serious Islamic position and the mobilisation of Islamic moral and material means" to promote "future negotiations between Palestinians and Israelis."

Syrian Foreign Minister Farouk Sharaa had called on the Arab and Muslim countries to "freeze their ties with Israel and stop all dealings with it. This is the minimum they should do."

Mr. Arafat said he was surprised by the United States' recent double veto of moves in the U.N. Security Council to condemn Israel's action, even though President Bill Clinton had said he was opposed to the settlement project.

Mr. Arafat accused Israel of wanting "the territory, the security and the peace, all at the same time and giving nothing in return."

## Jordanian and Iraqi trade chiefs discuss expanding relations

AMMAN (J.T.) — Jordan and Iraq have stressed their determination to bolster trade ties and implement all provisions of a trade agreement signed in 1995.

Agreement on this matter and on expanding economic relations was concluded at a meeting between Chairman of the Federation of Jordanian Chambers of Commerce Haidar Murad and his Iraqi counterpart Zuhair Abdul Ghafour, the Jordan News Agency, Petra, said Friday.

The agency quoted Mr. Murad as saying that Jordan will do all it can to achieve steps to stimulate the economies of the two countries, adding that Mr. Abdul Ghafour's visit to Jordan was another step on the road of coordinating plans.

Describing Jordanian-Iraqi economic relations as very good, Mr. Murad said that efforts are being exerted for cementing relations at a time when the world is witnessing serious efforts for lifting the sanctions imposed on Iraq since 1990. At a time when the Iraq-U.N. oil-for-food accord is being implemented.

He said Jordan hopes that Iraq and Jordan will increase the vol-

ume of trade and increase joint investments in industrial schemes, adding that the possibilities of increasing trade are now more than ever before, with the private sector playing a leading role.

He said Jordanian merchants who stood by their Iraqi people and supplied the Iraqi market with basic needs are ready to pursue this process through official trade accords or through private transactions adding that the federation is particularly interested in joint industrial ventures.

Mr. Abdul Ghafour said that the Iraqi federation was giving due attention to and due support for Jordanian-Iraqi ventures and hopes to hold further meetings with the Jordanian side to reach agreements on projects benefiting the Jordanian and Iraqi people.

Mr. Abdul Ghafour and Mr. Murad had a meeting earlier with Minister of Industry and Trade Hani Mulki.

At the meeting, the two sides reviewed the implementation of Iraq's oil-for-food accord and ways to stimulate trade and economic relations.

## Israel plans more building

(Continued from page 1)

planning to build a 98-room hotel near Atarot airfield on the outskirts of Arab East Jerusalem.

The newspaper quoted an unnamed architect involved in the project but who refused to provide further details due to the "sensitive" nature of the project.

The Israeli anti-settlement movement, Peace Now, condemned the Givat Ze'ev building plan as a "provocation" at a time when violent protests are already sweeping Palestinian areas over the start of construction of a new Jewish neighbourhood in Arab East Jerusalem.

Prime Minister Benjamin Netanyahu relaunched the settlement building shortly after coming to power in June, lifting a four-year-old freeze on most construction in the territories imposed by the former Labour government.

Meanwhile, the Israeli army dismantled a makeshift Jewish settlement near the West Bank town of Ramallah on Friday, a day after the existence of the "secret settlement" was revealed by Israeli television.

An army spokesman said soldiers removed four shipping containers which the settlers had transformed into furnished homes for about 10 people.

Three settlers were arrested at the camp, which included a children's swimming pool and a recently ploughed dirt road, he said.

The settlers used the containers as makeshift homes to avoid having to ask for army authorisation to build or install housing trailers at a new settlement site.

## Military committee concludes investigations

(Continued from page 1)

Jordanian officials have said that Dakamseh, a driver in the army, had no record of criminal or political activity.

His family said he was mentally unstable. But his lawyer contended he looked "sane and spoke with me rationally."

"He said he felt that the mockery of girls reminded him of Israel's degrading and humiliation of Arabs and Muslims," Mr. Najdawi said. "He told me all he thought of before and during the shooting is that he was humiliated by the girls' actions."

The lawyer said Dakamseh will be tried in a military court next month. He declined to specify a date, saying that investigations are under way to "substantiate that the incident was not instigated by foreign sides."



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# WTO on a roll as \$500b information technology deal clinched

GENEVA (R) — Trade superpowers and developing nations have clinched a sweeping \$500 billion deal to scrap tariffs in information technology products in a big boost to consumers and manufacturers in the booming industry.

For the average consumer, the deal means cheaper infotech products and personal computers sold in countries from India to Europe, said World Trade Organisation (WTO) chief Renato Ruggiero.

Hailing the pact as a win-win scenario for computer makers, emerging economies and customers, Mr. Ruggiero said it would give a boost to cross-border investment flows and

economic growth. "This pact is very important for emerging markets in terms of opening up their economies, lowering their barriers and the possibility of buying products at a lower price," he said. "We're approaching a win-win situation in this sector."

A total of 39 countries representing 92.5 per cent of the world trade in infotech products committed themselves to the pact, which will cut tariffs on computers, telecom products, semiconductor manufacturing equipment, software and CD ROMs and scientific instruments by the year 2000.

Analysts said the pact, "as vital as drinking water to compete in the global economy" according to one, opened the way for a vast expansion of the industry and ambitious future deals.

The deal complements February's WTO pact to liberalise basic telecoms trade, and together they cover business worth more than \$1 trillion annually, more than the global trade volumes each in agriculture, cars and textiles sectors, Mr. Ruggiero said.

The two pacts on telecoms and information technology are also a big boost to the credibility of the fledgling WTO.

"We're really on a roll," a

smiling Ruggiero told Reuters. "For the WTO, this has been a very big step forward."

First tariff cuts under the deal, shaped in December at a Singapore WTO ministerial meeting, must take place in July.

Mr. Ruggiero said lower tariffs will cut prices for consumers around the world from Asia to Europe.

Singapore, Hong Kong and Malaysia already have zero duties for most products, Korea has duties of eight per cent while the European Union (EU) has more duties to scrap than the U.S. and Japan.

But the biggest winners would be consumers in India where tariffs as high

as 52 per cent will come down to zero under the pact, Mr. Ruggiero said.

India also stands to gain because it is a major supplier of applications development and maintenance software services to North America and Britain. Its information technology skills much in demand in North America were also set to benefit.

Trade diplomats said computer giants in the United States, Germany, Japan and South Korea stood to gain from the deal, save tens of millions of dollars and boost overseas earnings.

One last hurdle was cleared when Washington decided not to hold up a

deal over its discontent with EU tariffs on local area network equipment and multimedia personal computers.

Washington says a reclassification of such products by the EU customs authorities has caused higher duties on its imports in violation of world trade rules and has filed a case against the European Union under the WTO's dispute settlement body.

The 39 participants were the world's four trading powers, the United States, the 15-member European Union, Japan, Canada, as well as Australia, Hong Kong, Iceland, Indonesia, South Korea, Norway, Singapore, Switzerland,

Turkey, Costa Rica, the Czech Republic, Estonia, Israel, India, Macau, Malaysia, New Zealand, Romania, the Slovak Republic, Thailand and the Chinese Taipei custom territory — Taiwan, Penghu, Kinmen and Matsu.

Two countries initially on board, Panama and Poland, did not sign up because of delays in finalising their timetables but Mr. Ruggiero said they may do so in the coming days.

Two more countries in the 130-member trade watchdog, the Philippines and El Salvador, could join in the near future.

## Pakistan unveils reform package

ISLAMABAD (AFP) — Pakistani Finance Minister Sartaj Aziz has announced wide-ranging economic reforms outlining savage cuts in income tax, import tariffs and sales tax.

The economic revival programme unveiled in parliament also provides concessions to industry and exporters as part of a series of "revolutionary" reforms, Mr. Aziz said.

The package was formulated on the basis of recommendations from several committees established by Prime Minister Nawaz Sharif.

"It is designed by U.S. and it is liked by the International Monetary Fund (IMF)," he said, adding that it would help Pakistan qualify for IMF loans. Islamabad wants \$1.2 billion in IMF soft loans over three years.

Mr. Aziz said there were only 800,000 tax payers in the country of more than 130 million people, adding that the cut in taxation rates would prompt more people "voluntarily to meet their obligations to the state."

He proposed slashing the maximum income tax rate, applicable to those earning more than 300,000 rupees (\$7,500) a year, to 20 per cent from 35 per cent.

The minimum rate would be cut in half to five per cent from the current 10 per cent.

The programme envisaged

reducing the existing 18 per cent general sales tax to 12.5 per cent and extending a three per cent general sales tax on retail turnover in major cities.

The government proposed reducing the maximum import tariff from the current 65 per cent to 45 per cent, abolishing duties on imports of machinery and removing general sales tax from locally-made machinery.

Duties on imports of machinery for export-oriented industries would be reduced to 10 per cent and raw materials used mainly for exports would be exempt.

Wealth taxes would be imposed on people owning homes according to the size of the property and those owning cars, according to engine capacity, the finance minister said.

"We estimate the number of tax payers will be doubled" by these schemes, he added.

Mr. Aziz said the former tax rate regime led to higher levels of tax evasion and corruption, with "deleterious" consequences for production.

The package comes only six weeks after Mr. Sharif assumed power in February polls with a pledge to revamp the economy, weighed down by more than \$30 billion in foreign debt.

## Bank of Israel says exchange rate key to growth

TEL AVIV (R) — Israeli industry is geared for renewed growth but the government must first act to reverse the appreciation in the shekel that has hurt export profitability, the Bank of Israel said.

"Growth is first and foremost dependent on export profitability, which has been hurt. It appears quite significantly, over the last three years," the central bank said in an early release of some sections of its annual report.

The full report is scheduled to be published on March 31. "The fast pace of industrial growth in recent years slowed in 1996 and with it the growth of labour productivity and overall productivity slackened," the Bank of Israel said.

"Nevertheless, capital stock — physical and research and development capital — continued to grow, mainly in the high technology sectors," the central bank said. "This has created an appropriate base for future export growth."

Israel's fast-paced growth of the 1990-95 period slowed last year. Gross domestic product expanded by 4.4 per cent last year, compared with 7.1 per cent in 1995.

The central bank said a "balanced" fiscal and monetary policy was needed "that

would make possible a reversal in the trend of real appreciation in the export (exchange) rate."

In 1994-96, the shekel lost just 8.9 per cent against the dollar, versus cumulative domestic inflation of about 36 per cent. This year, the shekel has fallen about 3.5 per cent.

The business sector and the treasury have blamed the central bank's tight monetary policy for the strong shekel, saying high interest rates have caused significant capital imports. The Bank of Israel says that most capital imports are due to increased long-term foreign investment.

The Bank of Israel also noted that last year's slowdown was having a more pronounced effect on Israel's immigrant population than the overall workforce.

It said the slowdown had hit the country's older industries, like textiles and metals, more than its high tech sector. The rate of employment among new immigrants, mainly from the former Soviet Union, is higher than in high tech, the central bank said.

It estimates immigrants accounted for 21-28 per cent of the workforce in older industries, versus 12-14 per cent in electronics and chemicals.

Meanwhile, Israel's outgoing treasury director-general said in a newspaper interview Thursday that the government was not unduly concerned about the budget deficit, even though it was running over target.

## REUTERS

## REUTERS

### The Business of Information

Major Currencies & Cross Rates									
Currency	USD	DEM	GBP	CHF	JPY	CAD	ITL	SEK	FRF
US Dollar	1.5760	0.6133	1.4479	123.74	1.2800	1673.00	1.8845	5.6445	
GB Sterling	1.6308	2.7325	-	2.3649	201.85	2.2501	2730.24	3.0758	9.2118
JP Yen	0.0081	1.3539	0.4953	1.1006	-	1.1148	13.51	182.25	4.5601
IT Lira	0.0008	1.0006	0.3683	0.9885	1353.91	0.8244	-	11.25	3.3701
FR Franc	0.1772	0.2967	0.1086	25.6355	21.88	0.2443	33.57	33.5700	-

Energy		Unit	Price
Brent	18.95	18.60	
Bony	18.95	18.60	
UL Gas	205.00	205.00	

Mid-East Currencies				
Currency	USD	DEM	GBP	CHF
SA Riyal	0.2667	0.4473	0.16359	0.38634
KW Dinar	3.3083	5.53403	2.02429	4.78111
CY Pound	1.9899	3.3359	1.2204	2.8819

Metal Prices		
Metal	Unit	Price
Gold (oz's)	349.5	350
Ptadium (oz's)	375	375
CU (3 Months)	2370	2375
Lead (3 Months)	684	687

Currency Deposit Rates (Bld)						
Period	1	3	6	9	12	Year
USD	5.59	5.62	5.57	6.07	6.15	
JPY	0.26	0.26	0.26	0.53	0.71	
FRF	3.23	3.28	3.32	3.38	3.45	
ITL	7.22	7.33	7.35	7.29	7.23	

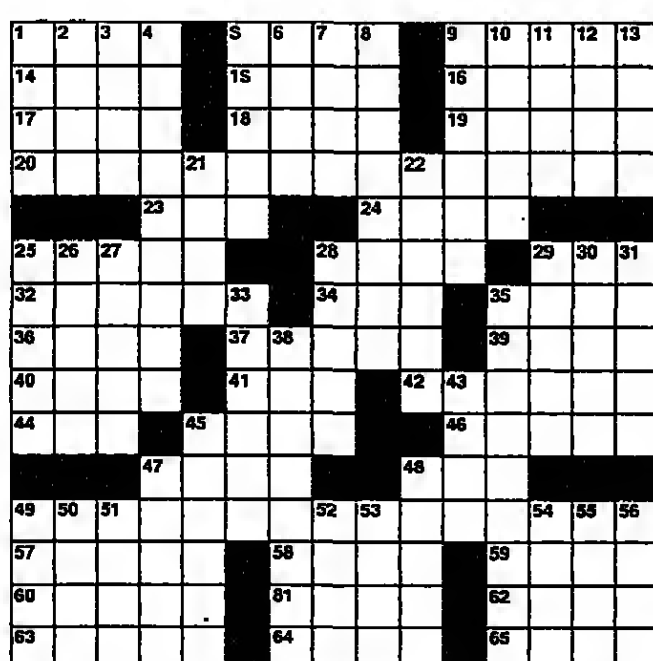
Main Equity Indices						
Bourse	Index	Value	Chng	% Chng	High	Low
New York	DOW JONES	0	0	0	0	6740.59
London	FT-SE 100	4312.9	11.4	0.27	4331.4	4303.8
Paris	CAC 40	2656.68	7.95	0.3	2647.54	2647.09

Energy		
Commodity	Last	Delivery
Coffee (c/lbs)	196.5	Spot
Sugar (c/lbs)	309	Spot
Wheat (c/lbs)	22.17	Spot
Barley (c/lbs)	0	Spot

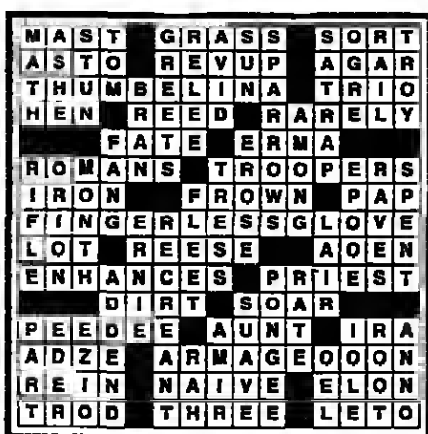
JOD Cross Rates		
Currency	Buy	Sell
US Dollar	0.708	0.710
DE Mark	0.4212	0.4233
FR Franc	0.125	0.125
NL Guilder	0.3744	0.3763

## THE Daily Crossword

- ACROSS
- Gillet part
  - Metal refuse
  - Unfairly
  - Rajah's lady
  - Form circles
  - "Homa"
  - Film star
  - Jannings, of old
  - Eskimo's abode
  - var.
  - Subway coin
  - Impossible
  - dreams
  - Preserve
  - Begged
  - Wild
  - Dutch settler
  - Yalie
  - Loves deeply
  - Greek letter
  - Lend of tennis
  - Decorata, in a way
  - War or cedar
  - and
  - Goddess of victory
  - Some bills
  - Crew need
  - Child minder
  - Chinese "way"
  - Sins
  - Outline map
  - Discharge
  - Comprehend
  - Wayne film
  - More than enough
  - Unless, legally
  - Footnote abbr.
  - Kind of campaign
  - Jack of
  - Westerns
  - Ms. Turner
  - Rash
  - Refuta
  - Cart



by Alvin L. Becker



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- DOWN
- Ship hands
  - Branchlike parts
  - Indigo
  - Deuces, often
  - Heir
  - Company symbol
  - Pains
  - Adhesive
  - Amass
  - Get — of him!
  - Chinese cookware
  - Joint
  - Itches
  - Forceful outburst
  - Sport shoe feature
  - Bundle of twigs
  - MN city
  - Logrolling contest
  - Tavern drinks
  - Madonna role
  - Basketball player
  - Not active
  - Char
  - Where animals belong?
  - Obeyed
  - Clinched
  - Diner
  - Part of a chair
  - Like an eel
  - Plethora
  - Austen heroine
  - Mimics
  - Trickery
  - No man — island
  - Construction
  - Famed galleon
  - June 6

## Peanuts



## Andy Capp



## Mutt'n'Jeff



## HOROSCOPE FORECAST FOR SATURDAY, MARCH 29, 1997

By Thomas S. Pierson, Astrologer, Carroll-Righter Foundation

**ARIES:** (March 21 to April 19) Try to put more excitement into your daily duties today, and you'll enjoy them more. You and your mate must try to get out of that rut later this evening by doing something romantic which you both will enjoy.

**TAURUS:** (April 20 to May 20) Try to impress the one you love by showing today that you are modern and exciting. Avoid making any caustic remarks which you may regret at another time. This is a good time to go out on the town with friends.

**GEMINI:** (May 21 to June 21) Make arrangements to get together with a recent acquaintance for some recreational activity today which will be pleasing. If you must do some marketing for your loved ones, do it early in the day before your career activities.

**MOON CHILDREN:** (June 22 to July 21) Discuss with an expert how you can add to your present abundance today, and get good advice which can be helpful. Steer clear of a greedy fellow associate who is only out for his or her interest, without the regards for others.

**LEO:** (July 22 to August 21) Plan a trip with a friend today to gather some important information you need to complete a new project. Take it easy and get plenty of rest later this evening after such a busy day and spend it with your loved ones.

**VIRGO:** (August 22 to September 22) You want to invest in some modern mechanisms today to make your career activities more efficient and profitable, however, get the advice of an expert in the field. Later this evening will be good to have guests in your home.

**LIBRA:** (September 23 to October 22) Contact a clever acquaintance today who can show you how to capitalise on your finest talents. Get out of that rut you've been in for so long and thereby this evening special for your loved ones.

**SCORPIO:** (October 23 to November 21) Get your home in order so that you can entertain guests with confidence this evening and thereby making them feel comfortable. If you go out today, drive very carefully while out on the highway and avoid any difficulties.

**SAGITTARIUS:** (November 22 to December 21) A very new and unusual form of recreation will please you very much today if you keep an open mind. Take your mate on a short trip later this evening to visit with friends and thereby you can have a wonderful time.

**CAPRICORN:** (December 22 to January 20) You may have to spend a bit more money than you had planned to please your loved ones today, however, in the long run it will be well worth the cost involved. Tonight, will be good to relax at home with your loved ones.

**AQUARIUS:** (January 21 to February 19) Make it a point to see someone you have recently met today, and to whom you have taken a fancy. This should be a memorable evening, so make every effort to provide those items and atmosphere to make it special.

**PISCES:** (February 20 to March 20) You have some fine ideas today which seem to be promising, however, you must put these into motion if you are going to profit at all from them. Later this evening will be good to seek the advice of a knowledgeable person.

Birthstone of March: Aquamarine — Jasper.



## Prices at AFM edge up

By a Jordan Times Staff Reporter

AMMAN — Prices improved a little last week at the Amman stock market following the assumption of office by a new government despite no clear indication of any substantial change in the economic policies of the country, brokers said Friday.

Several brokers said the improvement in prices in all sectors was the result of efforts by speculators to inject a sense of better economic performance under the new government of Prime Minister Abdul Salam Majali.

Other dealers said prices were also given a boost by the beginning this week of Jordanian exports to Iraq under Baghdad's oil-for-food agreement with the United Nations. Jordanian companies have signed orders worth \$120 million with Iraq under the deal, and contracts worth \$26 million were approved last week.

The Amman Financial Market (AFM) said in its weekly summary that trading for the week was 3.7 million dinars,

down from the previous week's 4.2 million dinars. Prices rose by 0.2 per cent as measured by the official AFM index based on 60 major companies from among the 135 listed in the market. The index closed at 153.72 points, up 0.3 per cent from the week's opening of 152.29, the report said.

The AFM summary said 2.8 million shares were sold and bought under 2,709 transactions during the week, with daily average trading at 740,000 dinars (\$1.04 million).

Industrial companies led trading with a volume of 1.77 million dinars. Commercial banks and investment houses accounted for 1.42 million dinars followed by service sector companies with 510,000 dinars and insurance firms with 22,000 dinars.

On a sectoral level, insurance stocks rose by 0.2 per cent during the week, industrial companies gained 0.3 per cent, commercial banks and investment houses rose by 0.3 per cent and service sector firms gained 0.8 per cent.

According to the AFM report, this week's business involved stocks of 85 companies; 32 of them closed with gains, 36 slipped and 17 remained stable.

The New York-based Alliance Capital Corporation will run a local investment fund to revitalize activity at the AFM, a banker said Wednesday.

The \$28.1 million Jordan Investment Fund will start operations later in the year, the Associated Press quoted Mohammed Abu Zeid, a Housing Bank spokesman, as saying.

He said the fund was set up recently by the Housing Bank, Jordan's second-largest financial institution. An offshoot to the fund was also established in Bahrain.

"The aim of the fund is to reactivate dealings in the stock market," said Mr. Abu Zeid.

There are several European and Asian companies, with a total capital of \$62 million, dealing in the Jordanian stock exchange.

## Another Jordanian company wins contract to export to Iraq

Tareq Ayyoub  
Special to the Jordan Times

AMMAN — The first Jordanian shipment of cooking oil will leave for Iraq next week following a U.N. approval of a contract to supply Iraq with cooking oil worth \$15 million in line with the U.N. oil-for-food agreement signed last December, a trade and industry ministry official said Thursday.

Mohammad Smadi, secretary-general of the ministry, said the ministry has received the U.N. approval to supply Iraq with 20,000 tonnes of vegetable oil. He added that more contracts are expected to be approved next month.

The new approval will raise the number of Jordanian firms which won U.N. approvals to 11 companies to supply the sanction-hit Iraq with detergents and cooking oil worth \$41 million.

About 32 Jordanian firms

are awaiting the U.N. permission to supply Baghdad with \$79 million worth of food, medicine and other humanitarian aid in line with U.N.-Iraq food-for-oil agreement which permits Iraq to sell \$2 billion worth of oil in return for humanitarian purchases for its 20 million citizens, under U.N. embargo since Baghdad's seven-month-old occupation of Kuwait in 1990.

Dr. Smadi said the Middle East Company for Food Industries will start dispatching the first shipment for Iraq next week. He added that all Jordanian firms which won the world body's approval are preparing to truck their products to Iraq.

Meanwhile, Dr. Smadi said that the ministry is investigating the reasons behind blocking the entrance of 65 Jordanian trucks loaded with 1,500 tonnes of table salt for Iraq.

The trucks left Jordan on Tuesday but are still stranded

at the Iraqi borders waiting U.N. monitors to inspect the shipment.

Mohammad Amr, from the Gulf and Jordan Transportation Company which is transporting the \$250,000 worth shipment, told the Jordan Times that until Thursday evening the trucks were held up at the Iraqi borders.

"The trucks are still in Tiraibel, (the Iraqi border point) because they can't leave without the observers' permission," Mr. Amr said. He added the trucks cannot head back to Jordanian territories because this needs a permission from the Iraqi authorities, which might take several days before obtaining it from the concerned authorities.

"We received the U.N. approval to send this shipment to Iraq, on March 16 but we don't know what delays the U.N. monitors to arrive to Iraq and inspect the trucks," Mr. Amr said.

## Britain finances JTC project

AMMAN (J.T.) — Planning Minister Rima Khalaf and British ambassador, Peter Hinchcliffe, Thursday signed a memorandum of understanding at the Ministry of Planning. The agreement provides technical assistance towards the implementation of the second phase of the British-Jordanian Telecommunications Corporation (JTC) restructuring project. The memorandum is an extension to an existing project

that was launched in 1995. The signing raises the project value to a minimum of £7 million. This project is funded by the British government's Overseas Development Administration (ODA). British consultants Price Waterhouse will continue to work closely with their counterparts in JTC, focusing on skill transfer and staff training as the main aspects of the second phase of this project.

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AMMAN FINANCIAL MARKET														
HOUSING BANK CENTER AMMAN - JORDANIAN														
TELEPHONE: 607311 / 807378														
ORGANIZED MARKET TRADING ACTIVITY FOR THE PERIOD 12/03/1997 - 26/03/1997														
WEEKLY REPORT														
DURING THE LAST 2 WEEKS														
PRICE	LOW	HIGH	NO. OF CONTRACTS	NO. OF SHARES	VALUE TRADED JD	OPENING PRICE	HIGH	LOW	CLOSING PRICE	CHANGE	AVERAGE PRICE	MARKET SHARES	NO. OF TRADING DAYS	
259.000	250.000	260.000	14.0	1.27	46	1540	198140	254.50	257.00	255.75	256.00	0.25	4	
2.000	1.800	2.200	0.00	0.00	52	89976	172111	1.87	1.93	1.87	1.90	0.03	8	
2.200	2.000	2.400	0.00	0.00	21	62996	176386	2.00	2.00	2.00	2.00	0.00	5	
1.000	0.800	1.200	0.00	0.00	13	19350	16271	1.02	1.04	1.02	1.04	0.02	1	
2.200	2.000	2.400	0.00	0.00	8	2400	5489	2.28	2.21	2.27	2.21	0.07	4	
4.700	4.400	5.000	12.8	2.88	176	132206	592337	4.63	4.92	4.65	4.80	0.27	8	
2.700	2.500	2.900	0.00	0.00	20	2236	6087	2.72	2.73	2.73	2.73	0.01	2	
0.800	0.700	0.900	19.7	9.32	12	36000	20260	0.85	0.84	0.84	0.84	0.01	2	
1.920	1.700	2.100	0.00	0.00	27	8933	18057	1.79	1.84	1.78	1.84	0.05	3	
3.920	3.700	4.100	109.1	0.00	7	1750	2689	3.53	3.52	3.40	3.52	0.12	1	
2.400	2.200	2.600	0.00	0.00	6	440	1404	2.30	2.30	2.30	2.30	0.00	2	
2.250	2.100	2.400	11.54	0.00	3	650	841	2.37	2.34	2.30	2.30	0.07	1	
BANKS														
INDEX NUMBER : 194.50														
CHANGE : + 0.26%														
1.940	1.870	2.010	6.5	10.26	27	11300	21524	1.90	1.95	1.90	1.95	0.05	5	
3.850	3.650	4.050	0.00	0.00	3	50	93	3.86	3.85	3.89	3.85	0.04	3	
2.050	1.900	2.200	7.7	7.80	1	40	103	2.04	2.05	2.05	2.05	0.00	1	
2.420	2.200	2.600	5.4	0.00	1	250	575	2.42	2.30	2.30	2.30	0.12	3	
INSURANCE														
INDEX NUMBER : 119.43														
CHANGE : + 0.26%														
1.660	1.630	1.690	11.4	7.32	44	18701	30620	1.65	1.64	1.63	1.64	0.01	1	
8.000	7.800	8.200	17.2	2.06	2	58	463	8.00	8.00	8.00	8.00	0.00	1	
1.450	1.350	1.550	9.5	6.90	1	50	73	1.45	1.45	1.45	1.45	0.00	1	
2.650	2.450	2.850	13.0	6.07	5	10256	27174	2.44	2.46	2.45	2.46	0.01	2	
6.900	6.700	7.100	8.2	4.68	2	18056	38756	6.80	6.80	6.80	6.80	0.00	2	
4.270	4.070	4.470	2.13	0.00	2	1040	4158	4.17	4.10	4.10	4.10	0.07	1	
2.430	2.230	2.630	10.1	8.33	10	36650	87954	2.40	2.40	2.38	2.40	0.02	2	
3.240	3.040	3.440	0.00	0.00	57	23450	55385	3.10	3.09	3.07	3.10	0.03	9	
1.010	0.910	1.110	21.8	3.80	16	11900	11822	1.00	1.00	0.98	1.00	0.02	4	
0.420	0.320	0.520	24.7	0.00	7	2150	1139	0.41	0.38	0.37	0.39	0.02	2	
0.900	0.800	1.000	0.00	0.00	57	31446	18145	0.80	0.80	0.78	0.80	0.02	5	
1.400	1.300	1.500	68.6	0.00	4	4000	8161	1.40	1.37	1.34	1.38	0.04	1	
2.400	2.200	2.600	12.6	8.24	18	3400	15045	2.38	2.34	2.18	2.38	0.24	4	
1.400	1.200	1.600	0.00	0.00	18	4900	4950	1.40	1.40	1.40	1.40	0.00	1	
3.880	3.680	4.080	8.2	6.40	52	24800	46794	3.73	3.74	3.71	3.72	0.01	5	
SERVICES														
INDEX NUMBER : 106.03														
CHANGE : + 0.79%														
18.500	18.300	18.700	15.7	3.86	2	49	932	18.50	18.42	18.42	18.42	0.08	2	
3.630	3.430	3.830	20.3	3.82	44	31839	114096	3.61	3.43	3.45	3.55	0.04	5	
3.350	3.150	3.550	15.1	0.00	3	7400	7848	3.30	3.18	3.25	3.24	0.06	3	
6.290	5.990	6.590	18.5	3.78	13	3100	18756	6.00	6.10	6.00	6.10	0.10	6	
10.170	9.870	10.470	10.2	7.94	12	2263	32976	10.16	10.17	10.00	10.07	0.09	10	
1.430	1.230	1.630	59.9	0.00	8	2700	2732	1.37	1.39	1.36	1.36	0.03	7	
2.620	2.420	2.820	32.8	0.00	75	12591	20722	2.44	2.48	2.35	2.46	0.13	10	
6.950	6.750	7.150	8.7	3.67	5	4166	28381	6.85	6.82	6.82	6.82	0.03	6	
1.420	1.220	1.620	20.2	6.62	50	12879	61252	1.34	1.30	1.30	1.30	0.04	5	
2.450	2.250	2.650	8.6	9.59	8	22640	57688	2.45	2.37	2.45	2.35	0.10	2	
1.830	1.630	2.030	8.3	8.00	2	350	725	1.50	1.50	1.50	1.50	0.00	1	
1.270	1.070	1.470	164.6	0.00	9	2600	15045	1.18	1.22	1.18	1.22	0.04	1	
6.960	6.760	7.160	13.0	4.21	12	6270	20449	6.90	6.80	6.75	6.75	0.15	4	
3.220	3.020	3.420	8.6	8.70	18	3650	17363	3.22	3.44	3.25	3.45	0.23	7	
1.420	1.220	1.620	0.00	0.00	80	118958	48547	1.39	1.37	1.37	1.37	0.02	576	
1.180	1.080	1.280	7.5	9.41	15	7900	8586	1.13	1.11	1.08	1.10	0.03	1	
1.180	1.080	1.280	0.00	0.00	7	1000	2140	1.11	1.09	1.09	1.09	0.02	1	
1.020	0.920	1.120	9.3	9.52	38	17646	10990	0.92	0.91	0.91	0.91	0.01	5	
1.770	1.570	1.970	128.1	0.00	44	21650	13363	1.57	1.58	1.58	1.58	0.01	5	
2.250	2.050	2.450	15.0	0.00	40	14900	34838	2.25	2.24	2.24	2.24	0.01	4	
1.700	1.500	1.900	27.1	0.00	23	1300	5383	1.67	1.61	1.61	1.66	0.06	2	
2.620	2.420	2.820	27.1	0.00	49	23900	24571	2.64	2.67	2.64	2.64	0.03	1	
1.720	1.520	1.920	5.0	12.06	50	3950	67582	1.56	1.66	1.66	1.66	0.10	3	
1.350	1.150	1.550	16.9	0.00	358	146529	228378	1.25	1.41	1.24	1.24	0.17	3	
0.830	0.630	1.030	24.4	0.00	78	83258	39013	0.82	0.82	0.81	0.82	0.01	2	
3.850	3.650	4.050	116.4	0.00	9	4850	8784	3.82	3.81	3.81	3.81	0.01	1	
2.200	2.050	2.350	20.2	0.00	61	17031	19957	2.17	2.20	2.15	2.20	0.03	1	
1.000	0.800	1.200	22.6	0.00	1	250	760	0.97	0.96	0.96	0.96	0.01	1	
INDUSTRIAL														
INDEX NUMBER : 128.37														
CHANGE : + 0.29%														
GRAND TOTAL														
1753 1314000 2639021 INDEX NUMBER : 153.72														
CHANGE : + 0.21%														
NO. OF DAYS TRADED : 5														
DAILY AVERAGE OF TRADING VOLUME : JD 527,094														
DAILY AVERAGE OF TRADED SHARES : 222,360														
DAILY AVERAGE OF CONTRACTS : 351														
DURING THE LAST 2 WEEKS														
PRICE	LOW	HIGH	NO. OF CONTRACTS	NO. OF SHARES	VALUE TRADED JD	OPENING PRICE	HIGH	LOW	CLOSING PRICE	CHANGE	AVERAGE PRICE	MARKET SHARES	NO. OF TRADING DAYS	
4890	4300	5400	18.5	0.00	25	29000	13712	46	47	45	44	0.02	456	879
520	480	560	13.1	0.00	26	78750	13931	48	49	48	49	0.01	485	686
450	400	500	0.00	0.00	60	64200	27329	42	42	41	42	0.01	424	622
730	680	780	66.0	0.00	35	73870	13563	65	69	68	69	0.01	139	237
950	770	1130	0.00	0.00	91	87660	43409	77	79	76	76	0.01	516	826
950	770	1130	14.7	0.00	6	3900	15505	46	46	45	45	0.01	401	628
950	770	1130	0.00	0.00	87	163208	89459	78	83	74	83	0.05	548	1812
950	770	1130	0.00	0.00	1	25000	25000	1.00	1.00	1.00	1.00	0.00	1	667
850	850	850	0.00	0.00	0	250	332	85	89	88	88	0.01	892	824
430	430	430	0.00	0.00	15	5400	3698	49	51	49	51	0.02	500	216
470	450	490	55	7125	32332	43	46	43	45	45	45	0.02	452	1625
240	200	280	6	7250	628	74	72	22	22	21	21	0.01	228	142
1400	1360	1440	19	9224	12948	139	143	139	143	143	143	0.02	1404	128
560	560	560	15	5400	3698	49	51	49	51	51	51	0.02	500	216
730	730	730	1	2500	1400	59	56	56	56	56	56	0.03	540	167
760	730	790	29	33571	24861	74	76	73	76	77	77	0.01	740	324
510	510	510	3	290	128	61	51	51	51	51	51	0.01	512	304
1000	960	1040	16	21210	15511	69	72	69	72	72	72	0.01	650	216
400	400	400	65	21246	7554	39	59	57	59	59	59	0.01	237	332
400	400	400	27	19676	8463	62	46	43	46	47	47	0.01	430	201
700	700	700	4	10500	8194	76	80	76	78	78	78	0.03	780	262
710	710	710	16	21210	15511	69	72	69	72	72	72	0.01	650	216
800	800	800	203	78800	622975	80	81	76	80	80	80	0.01	791	3583
870	850	890	1	2000	1700	85	87	85	85	85	85	0.01	850	333
490	410	570	165	227631	103394	64	65	64	66	66	66	0.02	656	759
GRAND TOTAL														
956 1718530 1083445														
NO. OF DAYS TRADED : 5														
DAILY AVERAGE OF TRADING VOLUME : JD 214,729														
DAILY AVERAGE OF TRADED SHARES : 363,704														
DAILY AVERAGE OF CONTRACTS : 191														



## Courier stops Ivanisevic, meets Muster in Lipton semis

KEY BISCAYNE, Florida (R) — Jim Courier took another step toward recapturing the form that once made him the world's best tennis player by upsetting fourth seed Goran Ivanisevic Thursday to reach the semifinals of the Lipton Championships.

The 26th-ranked Courier, who won this title in 1991, bounced the big-serving Croatian 6-2 7-6, to reach the final four here for the fourth time in his career.

Courier, a local favorite in southern Florida, will face second-seeded Austrian Thomas Muster in the semifinals.

Muster, considered the world's premier clay court player, continued to prove he can win on hard courts with a convincing 7-5 6-2 victory over 29th-ranked Swede Jonas Bjorkman.

Muster, who has only played hard court events this year, ran his 1997 match record to an impressive 19-3.

The other men's semifinal pits top-seeded world number one Pete Sampras against 35th-ranked Sergi Bruguera of Spain.

"It's always a tough one against Jim because we had tough battles in the past," said Muster, who beat Courier in their last two meetings.

"He's playing good tennis. I'm playing good tennis. He's trying to get back in the rankings. He's going to be motivated to be in the finals here," Muster said of



Thomas Muster of Austria returns a first set serve from Jonas Bjorkman of Sweden in a quarter-final match at the Lipton Tennis Championship. Muster defeated Bjorkman 7-5, 6-2 and will play U.S. Jim Courier in the next round (Reuters photo)

Courier.

Ivanisevic was looking to return to the final here after last year's disappointment, when he had to quit three games into the final with Andre Agassi due to a neck injury.

He started out well enough, taking a 2-0 lead over Courier. But the American, showing flashes of the form that brought him four Grand Slam titles earlier in the decade, reeled off the next six games to take the first set.

Bashing from the baseline and making occasional forays to the net, Courier committed just six unforced errors in the opening set to 22 for the Croatian.

The fifth-ranked Ivanisevic got his dangerous serve on track in the second set and both players held serve throughout, forcing the tie-break.

"I was hoping to keep my momentum going into the second set, but Goran, with his serve, just turned it on," Courier said. "I wasn't real-

ly able to get my teeth into his service games there. Fortunately, he wasn't able to do much on my serve either."

Courier thoroughly outplayed Ivanisevic in the tiebreaker, jumping out to a 6-1 lead with the help of two double faults by the error-prone fourth seed. The American ended the 78-minute contest by converting his second match point.

Courier, who beat sixth-ranked Wimbledon champion Richard Krajicek in the

fourth round, takes consecutive wins over top-10 ranked players into the semifinals — a sign that he is approaching the form that carried him to the top in 1992.

He can make it three successive top-10 scalps with a win over Muster.

Courier said two months off while recovering from a knee injury last autumn had helped renew the enthusiasm for the game he seemed to have lost in recent years.

"I got injured and that gave me a chance to kind of let my mind relax as my body recuperated," Courier said.

"Sometimes it's almost a curse to be healthy all the time, funny as it seems. If you're healthy all the time, you keep going, going, keep grinding yourself down."

Bjorkman played Muster fairly evenly in a tight first set. But he double-faulted at set point in the 12th game while trying to push the set into a tie-break.

The Swede then missed a golden opportunity to play his way back into the second set while trailing 2-4, when he reached triple-break point — 0-40 — against Muster's serve.

The Austrian, however, managed to fight his way through the 14-point game to hold serve for a commanding 5-2 lead.

"The key point was second set, 4-2, love-40," Muster said. "Good comeback there."

## Qatar Horse Festival concludes Bisharat eliminated in 2nd round

By Lutfi Za'bi in Doha and Aileen Bannayan in Amman

THE 6TH QATAR International Horse Festival concluded Friday with Jordan's Hani Bisharat going out after the second round of the horse jumping competition.

Participants from 11 countries started the horse jumping competition in the final event of the festival which included an endurance race and horse shows.

Bisharat, Jordan's only representative, competed alongside participants from Qatar, Kuwait, Bahrain, Palestine, Libya, Algeria, Lebanon, Egypt, Syria and the United Arab Emirates.

Oman pulled out and only France and Britain were faultless in the first round.

Officials said the standard of competition was below average since participants had not had enough time to train on the horses provided by the Qatari Equestrian Club.

Bisharat had 30 faults in the first round and only eleven jockeys qualified to the second round in which Bisharat had eight faults.

On the sidelines of the competition, the general assembly of the Arab Equestrian Federation held its meetings and concentrating on means of enhancing cooperation between Arab federations and bolstering the activities of the Arab Equestrian Federations in Asian and international arena.

Jordan's delegation presented a paper

dealing with ways to broaden the sport and encourage youth to take an active part in it.

President of the Royal Jordanian Equestrian Federation HRH Princess Alia attended the endurance race and horse shows of the festival.

Hosts Qatar dominated the horse show and endurance race competitions offering total prize money of \$200,000.

Eighteen Jordanian horses entered the various events of the festival which included the endurance race, the horse jumping competition and the horse show.

Twelve Jordanian horses took part in the endurance race. The only participant to finish the 42-kilometre race was Salameh Al Saoud who came in twentieth.

Jordan's equestrian team also actively took part in Al Basel International Equestrian Championship which concluded in Damascus earlier this week.

Jordan's Ibrahim Bisharat proved he was a promising new face in the sport while veteran Hani Bisharat could only finish sixth in the Grand Prix of the championship which brought together 45 participants from Jordan, Lebanon, Egypt, Kuwait and Syria.

Competitors represented Jordan in the four-day event celebrating the National Day of Syria.

Egypt's 16-member team was the largest delegation and dominated the major events of the competition.

## Seles sails into final against Hingis

KEY BISCAYNE, Florida (R) — Monica Seles looked like the Seles of old Thursday night as sailed into the final of the Lipton Championships, where she will meet Martina Hingis in a showdown of once and future world number ones.

The fourth-seeded Seles, playing her first tournament of the year after being sidelined by a broken finger, destroyed 11th-seeded Austrian Barbara Paulus 6-1 6-0 in 51 minutes to take her place in the final.

Earlier Thursday, Swiss teen sensation Hingis won a hard-fought battle with third-seeded Czech veteran Jana Novotna 6-3 2-6 6-4 to stretch her perfect 1997 record to 25-0.

The 16-year-old Hingis, who Monday will become the youngest player ever ranked number one in the world, will be looking for her fifth title of the year when she faces former number one Seles on Saturday.

Seles, who was 17 when she first grabbed the top ranking six years ago, held the previous record for youngest world number one.

The 14th-ranked Paulus and Seles were tied 1-1 in the first set when the Yugoslav-born American pushed her game into high gear and raced through the next 11 games without dropping another one to the helpless Austrian.

"In my mind that match ended very fast," Seles said. "It was just a blur. It was just over so fast."

Hingis, dubbed the "can't miss Swiss" for her meteoric rise through the rankings, had a much tougher time with Novotna in a match played in stifling heat.

The heat was oppressive enough that the pair were allowed a 10-minute break after splitting the first two sets. It was Hingis who came back more refreshed and her energy level and strong play more than offset Novotna's vast experience.

"We both played a very high standard," Hingis said. "She makes you run and make a lot of mistakes you shouldn't and that you don't do against other players."

Hingis fought off break points in the eighth game of the deciding set with well placed passing shots.

She then broke a weary Novotna for 5-4 as the Czech double-faulted, then dumped an easy forehand into the net.

Hingis served out the match, ending it with her lone ace of the contest.

In their only previous final round meeting last November in Oakland, Hingis blew away Seles 6-2 6-0.

Seles, who was playing with a shoulder injury at that time, has been much sharper in this tournament. But she knows she has her work cut out for her if she is to hand the new Australian open champion her first loss of the year.

"She's playing some great tennis," Seles said of Hingis.

"She hasn't lost a match this year, that speaks for itself. The level of tennis she is playing is quite amazing and so is the maturity she shows."

## Zola confident about playing alongside Vieri

TRIESTE, Italy (R) — Italy's inspirational striker Gianfranco Zola has no worries about playing alongside uncapped Juventus attacker Christian Vieri in Saturday's World Cup qualifier against Moldova. Injuries to Pier Luigi

Casiraghi and Fabrizio Ravanelli have left Italian coach Cesare Maldini little option but to draft in the uncapped Vieri as partner for Zola, who now plays his club soccer with English side Chelsea. Speaking at team training, Zola predicted there

would be no problems partnering the 23-year-old.

"Christian's tactical awareness has surprised me...He's very similar to me...I will have to play off and around him but I don't think there'll be any problems of understanding between us," he said.

"I've given him just one piece of advice, and that is to play according to his instinct."

Zola scored the winning goal in a group two quali-

fier against England at Wembley last month, a victory which left Italy joint top with England but with a game in hand.

Apart from Vieri, the only other change from the side which beat England may be the inclusion of Lazio player Alessandro Nesta instead of Parma's Fabio Cannavaro.

Nesta's probable inclusion is an inevitable reflection of the fact that Maldini expects Moldova

to play a defensive game, leaving the Italian defence free to move forward, a point also underlined by Zola.

"The game against Moldova is easy only on paper. Our opponents will close up in numbers in front of their goalkeeper, leaving the initiative to us," Zola said. "We'll have to be good and score early."

Saturday's qualifier in Trieste is the first of two Group Two games played by Italy in the next week. They face Poland in Chorzow on April 2.

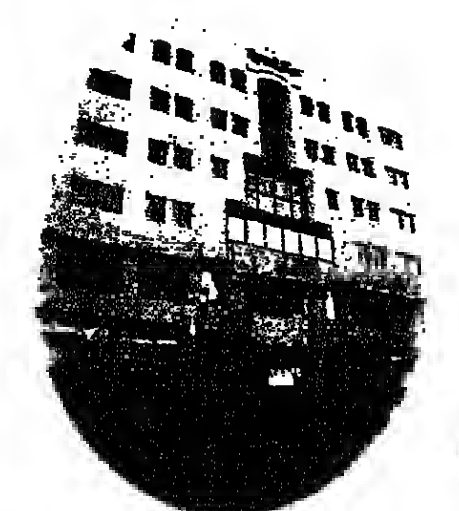
Moldova are bottom of the group having lost all three games so far, beaten at home by England and Italy and away by Poland.

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#### Pierre Cardin Perfumes & Cosmetics Launched in Jordan

On the occasion of launching Pierre Cardin perfumes & cosmetics in Jordan, Mr. Mustafa Manasrah, the General Manager of Almujafer Trading, welcomed guests including Mr. Husayn Murad the Chairman of Chambers of Commerce and members of the French Embassy. The dinner included a speech about Pierre Cardin's career and activities. Pierre Cardin skin care products will be launched in the Kingdom before the end of this year.

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**ELEMENTARY, MY DEAR WATSON**

North-South vulnerable. South deals.

**NORTH**  
♠ KQ84  
♥ Q732  
♦ J108  
♣ J4

**EAST**  
♠ 8573  
♥ 9  
♦ 782  
♣ A10973

**WEST**  
♠ A3105  
♥ K64  
♦ K  
♣ K8652

**SOUTH**  
♠ 2  
♥ A31085  
♦ A Q8543  
♣ Q

The bidding:  
SOUTH WEST NORTH EAST  
1 ♠ Pass 1 NT Pass  
2 ♠ Pass 4 ♠ Pass

Opening lead: Five of ♠.

Follow the play of the cards carefully. What you have seen can steer you to the winning path.

South judged that the hand's distributional assets merited a reverse. North, who had bypassed two four-card majors because of the

takedown double, now judged the holding to be worth a raise to game. The opening lead of a club was won by the ace, and declarer ruffed the club continuation. Declarer tried to sneak through a spade by leading the two, but West grabbed the ace and returned a spade, declarer discarding a diamond on dummy's king.

The trump finesse was obvious, but West produced the king to complete the defensive book. The hand now hinged on bringing in the diamond suit without loss, and the percentage play by a long shot is to take the finesse, considering the diamond suit in isolation.

But can a diamond finesse succeed? East, who held at least five clubs headed by the ace, did not bid two clubs over North's one-trump response, an action which would have been automatic with an ace and a king. That meant that West had to hold the king of diamonds, and the only hope was to find it singleton. Sifting the action to the thought, South banged out the ace of diamonds with a most happy result. The king came tumbling down and the four-heart game rolled home.

TODAY AT	<b>CINEMA TEL:634144</b> <b>PHILADELPHIA "1"</b> Kevin Bacon, Robert Deniro, Dustin Hoffman, Jason Patrick & Brad Pitt... in <b>SLEEPERS</b> Shows: 12:30, 3:30, 6:15, 8:30, 10:30	<b>CINEMA TEL:634144</b> <b>PHILADELPHIA "2"</b> Ethan Hawke & Julie Delpy.... in <b>BEFORE SUNRISE</b> Shows: 12:30, 3:30, 6:15, 8:30, 10:30	<b>CINEMA TEL:699238</b> <b>PLAZA</b> Adel Imam, Shireen & Saeed Saleh <b>Bakhit Wa Adilah (2)</b> <b>Al Jardal Walkankah</b> Shows: 12:00, 2:00, 6:30, 8:30, 10:30	<b>CINEMA TEL:677420</b> <b>CONCORD</b> CONCORD "1" MADONNA & ANTONIO BANDERAS...IN <b>EVITA</b> (new print) Shows: 12:30, 3:30, 6:00, 8:30, 10:30	<b>Nabil &amp; Hisham's Theatre TEL: 625155</b> <b>Aman.. Ya Ho</b> The theatre is closed every Saturday & Sunday For reservations call 625155
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## Arab Clubs Basketball Championship

### Jazireh lose; play for 13-16th places

By a Jordan Times Staff Reporter

JORDAN'S Al Jazireh settled to play for 13-16 places after losing 83-69 to Tunisia's Al Itihad at the 11th Arab Clubs Basketball Championship in Nabel, Tunisia.

The Kingdom's third-ranked team will return home Sunday after playing Kuwait's Al Jahra' in their last match.

Al Jazireh played a strong match against Al Itihad with centre Husam Lutfi scoring 28 points to stay atop the competition's top scorers list.

Yousef Abu Bakr, Ala' Bilbeisi and Ma'an Odeh played a good match but the Tunisian team was able to widen the gap when Jazireh's tallest player, Ma'an Odeh, was fouled out in the second half.

Al Itihad's Russian player was instrumental in securing the win for his team as he contributed 32 points.

Al Jazireh had scored their only win in the tournament when they beat Lihya's Al Nasr 82-64 (35-30) in the previous match.

In another second round match, Al Jazireh lost to Libya's Al Murouj 75-63.

Al Jazireh had dropped out of the race for 1-8th places after losing 67-65 (31-27) to Lebanon's Al Hikmah, 79-71 to Algeria's Bofariq and 92-60 to Tunisian champions Al Zahra' in the first round.

Jazireh's Husam Lutfi was top scorer in the first round with 97 points. Teammate Mu'tasem Saleh is the youngest and shortest players in the tournament.

Despite their results, Al Jazireh's participation is considered beneficial for the team whose players are mostly from the under-22 age-group making their inaugural Arab Clubs Championship against teams with professional lineups.

Nine Arab countries are taking part in the event hosted by Al Mal'ab Al Nabli.

The participating 16 men's teams had been divided into four groups with the two in each group moving to the quarterfinals to play for 1-8th places.

Playing for 9-16th places in addition to Al Jazireh's group are Kuwait's Al Jahra', Algeria's Bina', and Lebanon's Al Hikmah.

Teams include Al Mal'ab (Tunisia), Al Riyadi (Lebanon), Al Zahra' (Tunisia), Bofariq (Algeria), Zamalek (Egypt), Al Itihad (Saudi Arabia), Al Wadi (Tunisia), Al Itihad (Egypt), Ohud (Saudi Arabia).

Only six teams are taking part in the 7th Women's Championship. They include hosts Al Hilal, Al Safa' and Al Mal'ab of Tunisia, Egypt's Al Ahli, Hussein Dai of Algeria, and Lebanon's Homenetmen.

The championship organisers have allocated prizes for top scorer, best player, ideal team in addition to best three-point scorer.

In previous Arab championships, Jordan's former First Division champions Al Ahli and reigning champs Al Orthodoxi represented Jordan but declined to participate this year citing preparations for the country's First Division Championship.

Titleholders Al Orthodoxi, the country's undisputed basketball powerhouse from 1976-1989, won back the title in the past two seasons and repeating that is a top priority.

On the other hand, Al Ahli are hoping to regain their title which they won in 90, 92, 93 and 94 and have recruited a new coach who was in charge of the Russian team at the 1992 Barcelona Olympics.

Third-ranked Al Jazireh hope that the Arab championship will provide the team with a chance to test their readiness for the First Division Championship which they will try to win for the first time in their history.

They have become serious contenders for the Kingdom's First Division Championship during the past two years.

Last season, they beat Al Ahli and had a sure shot at second if not first place but later faltered in the final round.

## Fredericks runs 9.99 on track return

PIETERSBURG, South Africa (R) — Frankie Fredericks made a dynamic return to the track on Thursday as he ran the second fastest 100 metres ever on African soil.

The Namibian, who took silver in both sprints at the Atlanta Olympics, posted 9.99 seconds in the first leg of the Engen Grand Prix summer series.

Fredericks' time was 0.02 seconds slower than Briton Linford Christie's African record set in Johannesburg in 1995.

Fredericks, who last raced in September, missed the entire indoor season due to a leg injury.

American Brian Lewis (10.20) and Patrick Stephens of Belgium (10.25) were second and third on Thursday.

There was a family double in the long jump where Susan Tiedke-Greene and husband Joe won the long jump events.

Susan Tiedke-Greene, who returned to competition last week after a two year ban for steroid use, won the women's event with a leap of 6.71 metres.

Joe Tiedke Greene, like his wife a world indoor medalist, won the men's event with 8.25 metres.

## Arab Table Tennis Cup starts today with 10 countries taking part

By Roufan Nahhas  
Special to the Jordan Times

AMMAN — The 6th Arab Table Tennis Cup kicks off Saturday with ten countries participating in the four-day event at Al Hussein Youth City.

Saudi Arabia, Qatar, Palestine, Lebanon, Algeria, Sudan, Tunisia, Morocco, Syria and Jordan will be competing in the event.

Only five countries will be participating in the women's competition. They are Sudan, Lebanon, Syria, Tunisia and Jordan.

A warm welcome awaited participating delegations who arrived Thursday and Friday for the championship hosted by the Jordan Table Tennis Federation (JTTF).

Mr. Mohammad Rweished, secretary general of the Arab Table Tennis Federation (ATTF) expressed the federation's pride in the event grouping the Arab World's top players of the game.

The championship will however miss the Egyptian team — considered one of the Arab World's best and known for their advanced form and tactics. Their absence is sure to boost the chances of other teams in reaching the semi-finals.

The women's competition will miss Arab Cup titleholder Sonia Twini of Tunisia.

Head of the Saudi Arabian delegation Saleh Ben Nasser Al Hamadi said extensive training and preparation made Saudi's Nabil Al Maqawi and Shiber Hashem one of the leading contenders with a good chance to reach the semi-finals.

Mr. Hamadi said Saudi Arabia's two ranked players Bandar Omeiri and Mohammad Kheir had not been able to come and the team was led by the

second-ranked player Maqawi.

Saudi Arabia's Hungarian coach nominated Qatar's Hamad Al Hamadi to reach the finals. "Jordan and Saudi Arabia will also be strong contenders," he added.

Another top player is Sudan's Osama Al Mak who plays for one of the first division clubs in Belgium. He represented his country at the 1996 Atlanta Olympics after clinching third place in the African Cup.

Mak also said he expected Qatar's Hamad Al Hamadi, Jordan's Abdul Aziz Rida and Saudi Arabia's Maqawi to reach the semifinals.

Following is the list of participants in the 6th Arab Table Tennis Cup.

**Saudi Arabia**  
Nabil Al Maqawi and Anbar Al Awami.

**Morocco**  
Issam Al Bitawi and Mustapha Al Rajal.

**Tunisia**  
Al Basheer Ben Abdullah, Al Mukhtar Bo Aziz, Afaf Nowar and Nadia Losifi.

**Lebanon**  
Mohammad Al Hmeish, Joseph Shalhoub, Larissa Shoaib and Jocelyn Track.

**Qatar**  
Aref Abdul Rahman, Jaber Afifa and 1995 Arab Cup Champion Hamad Al Hamadi.

**Sudan**  
Osama Al Mak, Muzahel Abdul Aziz and Mohammad Anan.

**Syria**  
Amer Barakat, Suha Al Nour and Hadia Abu Sham.

**Jordan**  
Abdul Aziz Rida, Mustapha Rida, Iyad Maknay, Alia Tufaha, Hanadi Tufaha and Hadeel Awad.

Palestine and Algeria had not yet provided the JTTF with names of their players.

Other expected to steal the show in the event include 1996 Arab champion Jordan's Abdul Aziz Rida, Tunisians Hamad Al Hamadi, Mukhtar Mohammad and Basheer Al Alami, Qatar's Aref Abed Rahman and Jaber Afifi, Lebanon's Mohammad Al Hameish and Joseph Shalhoub, Saudi Arabia's Nabil Al Maqawi and Bandar Amiri, and Syria's Amer Barakat.

According to JTTF chairman Ismael Kurdi the next major event awaiting the Jordanian team is the World Table Tennis Championship in Manchester, England, April 23-May 5.

Dr. Kurdi added that the JTTF had received donations and support from several companies.

"We would like to send our gratitude to the sponsor of the championship, the Computer and Communications System CCS, Arab Radio and Television (ART) and the Polish Company for their generous contributions for the championship," he added.

### Schedule of matches

<b>Saturday</b>	
Singles matches	9.00 a.m.
Opening ceremony	5.00 p.m.
<b>Sunday</b>	
Singles 9.00am and 4.00 p.m.	
<b>Monday</b>	
Singles semis	9.00 a.m.
Men's doubles	2.30 p.m.
Women's doubles	5.30 p.m.
<b>Tuesday</b>	
Men's doubles	9.00 a.m.
Women's doubles	11.15 a.m.
Finals	4.30 p.m.

## Rain again postpones Group 4 Davis Cup matches

### Jordan leads Oman after losing to Tajikistan

By Aileen Bannayan  
Jordan Times Staff Reporter

HEAVY RAIN in the Omani capital, Muscat again postponed Davis Cup Asia/Oceania Zone Group 4 matches Friday disrupting the schedule of the six-team group for the second time since the tie began Wednesday.

Jordan led Oman 1-0 after Faris Azzouni won the singles match 6-0, 7-5. Ahmad Al Hadid was trailing 0-3 in the first set of the second singles match when the game was halted because of rain Thursday afternoon.

That game and the doubles against Oman were postponed for Friday but no results were received until press time.

Jordan had lost 2-1 to Tajikistan after rain also delayed their opening tie. Faris Azzouni won the first singles match 6-2, 6-2 however Ahmad Hadid lost 6-0, 6-1. Jordan Azzouni and Ghassan Al Qadi lost the doubles 6-0, 6-1.

The March 26-30 qualifiers group Syria, Tajikistan, Oman, the United Arab Emirates, Brunei and Jordan with only the top two teams of the six-team group promoted to Group 3.

The Kingdom's team had left for Muscat with team captain Talal Maher expressing hope that the team would be able to score better results and be promoted to Group 3.

Jordan had been relegated to Group 4 in 1995 and failed to be promoted last year after playing in groups 2 and 3 previously.

Representing Jordan are Tharwat Qaisi, Ahmad Hadid, Ghassan Qadi and Faris Azzouni. The team has been training under the supervision of head coach Kathem Hussein, formerly Iraq's top ranked player.

Countries participating in the annual team tournament are classified into five groups with the world's top teams playing in the prestigious World Group. The other countries are divided into four regional groups.

The Davis Cup competition is played on a round-robin format with two singles and one doubles match for each team daily.

## Jordan held to 12 but Bulls still win

TORONTO (R) — Michael Jordan was held to just 12 points, rebounding king Dennis Rodman sat out injured and still the Chicago Bulls cruised to their 61st victory Thursday, a 96-83 thumping of the Toronto Raptors.

Scottie Pippen and Luc Longley each scored 16 points to lead a balanced Chicago attack and the Bulls never allowed the Raptors closer than seven points in the second half en route to their sixth consecutive victory.

Toronto's Marcus Camby hit a jumper with 8:15 left to cut the margin to 79-72, but the Bulls responded with an 8-0 run.

Toni Kukoc returned to the Bulls lineup and had eight points, six rebounds and six assists in 32 minutes. He had missed 13 games with a foot injury.

"We were a little slow there in the first quarter," said Bulls coach Phil Jackson.

Damon Stoudamire had 18 points, 12 assists and six rebounds to lead the Raptors.

Jordan's 12 points was just two more than his season low and it marked the third successive game that he did not lead the Bulls in scoring.

"He's pretty flawless," Raptors guard Doug Christie said of Jordan. "It has to be a team effort to defend him. As soon as you mess up, you're already burned."

In Atlanta, Mookie Blaylock hit five three-pointers and scored 26 points and Steve Smith added 19 as the Hawks won their sixth straight game, a 103-88 defeat of the Los Angeles Clippers.

Dikembe Mutombo added 13 points for the Hawks, who raised their record to 20-6 against Western Conference opponents.

Lorenzen Wright scored 20 points to lead the Clippers, who could get no closer than 12 points down in the fourth quarter.

In Houston, Eddie Johnson came off the bench to score a season-high 27 points as the Rockets beat the Cleveland Cavaliers 107-89 for their fourth win

in five games. Johnson hit 10-of-15 shots from the floor, including 3-of-5 from three-point range, and pulled down 10 rebounds.

The Rockets never trailed and Cleveland got no closer than 10 points in the second half.

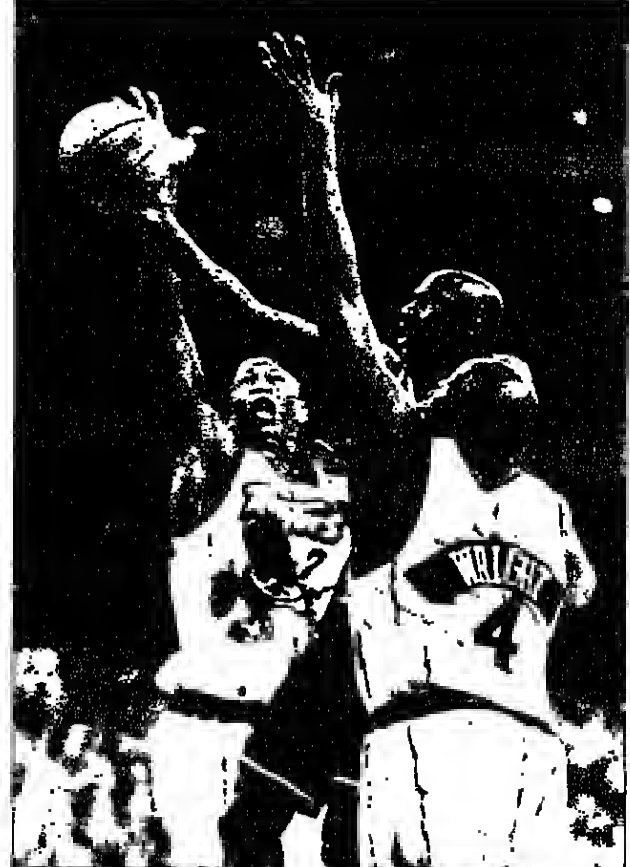
Hakeem Olajuwon scored 23 points and Clyde Drexler added 19 for the Rockets, whose 107 points were the most allowed by the Cavaliers this season.

In San Antonio, Monty Williams scored 20 points and Vernon Maxwell added 17 to lead the Spurs to a 97-93 victory over the Orlando Magic.

Dominique Wilkins added 13 off the bench for the Spurs, who won for just the 11th time in 34 home games this season in halting Orlando's four-game winning streak.

Williams shot 10-of-13 from the field and added five assists for San Antonio, which registered a season-high 35 points in the first quarter on 64 per cent shooting.

In Vancouver, Kobe Bryant scored five of his 20 points in overtime as the



Chicago Bulls' guard Michael Jordan (C) splits Toronto Raptors' forward Clifford Rozier (L) and centre Sharone Wright (R) during first quarter NBA action in Toronto. Chicago defeated Toronto 96-83 (Reuters photo)

Los Angeles Lakers beat the Grizzlies 102-98, handing them their league-worst 61st defeat.

The Lakers closed within 1 1/2 games of idle Seattle for the Pacific Division lead.

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## Thousands mark Good Friday in East Jerusalem

OCCUPIED JERUSALEM (Agencies) — Thousands of pilgrims from across the globe, some carrying wooden crosses and others singing hymns, walked along the Via Dolorosa in Jerusalem's Old City on Good Friday to retrace the route tradition says Jesus took to his crucifixion.

The observances came at a time of growing tension between Israel and the Palestinians, and Israeli riot police with M-16 assault rifles and clubs patrolled the cobblestoned Way of Sorrows.

One Israeli officer stopped a Chilean pilgrim dressed up as a Roman soldier, complete with a tin foil breast plate and knee high leather sandals. The Israeli policeman asked to see the tip of the pilgrim's spear, which turned out to be made from plastic.

Tourism to Israel and occupied Jerusalem has dropped sharply due to the security situation. However, pilgrims are often more highly motivated than ordinary vacationers, and the large turn-out at the Via Dolorosa did not reflect the situation in hotels throughout Israel. Despite the heavy security, the Good Friday procession took place in a festive atmosphere.

"I feel like I'm at a rock concert," said Jackie Lewis, 20, from Gainesville, Florida.

A 20-year-old visitor from Colombia, Dario Augusto Londono, wore a white-and-red robe and had fake blood painted on his forehead and palms. "Today I am representing Jesus in his time and how he would have appeared to all the apostles," Mr. Londono said, one arm draped around the shoulder of his girlfriend.

The annual procession began in the northeastern corner of the walled Old City, near where the Roman military headquarters once stood. Tradition says that this was where the Roman procurator, Pontius Pilate, tried and sentenced Jesus before sending him off to crucifixion and forcing him to carry his own cross.

However, some Bible scholars say it is more likely the trial and sentencing took place at Herod's Palace at the opposite end of the Old City, and that the Way of Sorrows began there.

Both routes end up at the Church of the Holy Sepulcher, where Jesus is believed to have been crucified and buried.

In Friday's procession, thousands of pilgrims walked along the Via Dolorosa. Members of different congregations wore hats in matching colours to be able to find each other in the throng.

A group of about 100 pilgrims from Egypt wore red baseball caps and chanted Latin hymns, following a leader who carried a big wooden cross.

Many Palestinian Christians were unable to join the procession because of Israel's tight closure of the West Bank and Gaza Strip.

The closure was imposed last week, following a suicide bombing at a Tel Aviv cafe claimed by militants. As a result, more than two million Palestinians in the West Bank and Gaza Strip cannot come to Israel, including Jerusalem.

Elias Freij, the mayor of the West Bank town of Bethlehem, said the closure contradicted Israeli claims that it has guaranteed access to the Holy City for all religions since it seized East Jerusalem in the 1967 Mideast war.

"At Easter, the Church of the Holy Sepulcher is the centre of our prayers, and it is in Jerusalem," Mr. Freij, a Greek Orthodox Christian, told the Associated Press. "Because of the Israeli steps, Christians in Bethlehem and Ramallah cannot get to Jerusalem. So where is the freedom of worship?"

## Sudanese rebels claim more gains in northeast

NAIROBI (R1) — Sudanese rebels said on Friday they seized three garrisons in the northeast of Africa's largest country and were threatening Port Sudan, a key link with the rest of the world.

Yassir Arman, spokesman for the Sudan People's Liberation Army (SPLA) in Eritrea's capital Asmara, said rebels captured garrisons at Karora, Itairba and Shabri near the Eritrean border on Thursday.

"We are now advancing towards the town of Tokar through what is a well-inhabited agricultural area," he said by telephone.

Asked whether the aim of the new rebel campaign was to cut the main road from Khartoum to Port Sudan, the Islamist government's commercial link on the Red Sea, Mr. Arman said: "This whole offensive in the east is threatening Port Sudan itself as well as the road to Khartoum."

Tokar is 100 kilometres from the border with Eritrea and 150 km (90 miles) southeast of Port Sudan. The nearest stretch of the Khartoum-Port Sudan road is 100 kilometres northwest of Tokar.

The Sudanese army said on Thursday Eritrean troops and Sudanese rebels were shelling Sudan army positions on Eritrea's border but the rebels denied that any Eritrean forces were involved.

A rebel spokesman said the offensive in the northeast was being mounted by the National Democratic Alliance (NDA), rebel coalition and forces included fighters from the SPLA and the Beja Congress.

SPLA commander John Garang told Reuters in January that part of the rebel strategy was to cut communications between Khartoum and Port Sudan, about 670 km (420 miles) northeast of the capital.

The Eritrean embassy in Cairo denied that Eritreans were fighting. It said in a statement that Khartoum usually made such allegations after military setbacks, in an attempt to deceive international opinion and avoid its own internal problems.

Sudanese army spokesman Lieutenant General Muammar Al Senoussi Ahmad said on Thursday that Eritrean troops and "a group of outlaws" had been shelling army outposts in Karora and Itairba since early Wednesday.

He said the army was putting up "tough resistance."

Northerners of the NDA rebel coalition attacked the army on the Sudanese side of the Eritrean border in January but that offensive failed to win much territory.

Rebel units farther south, led by the southern-based SPLA, captured the Sudanese towns of Karmuk and Qelissan on the Ethiopian border in an attack coordinated with the northerners.

Sudan's government said Eritreans and Ethiopians did most of the fighting in both attacks but the two countries, despite very poor relations with Khartoum, denied that their troops had any role.

The campaign against the government shifted this month to the far south, where the SPLA captured the major town of Yei and began to advance towards the regional capital Juba.

Khartoum says Ugandan troops are fighting alongside rebels in the south but the Ugandan government also denies this and accuses the Sudanese government of supporting rebels in northern Uganda.

A Sudanese member of parliament from east Sudan stated on Thursday that Eritrean forces had been massing east of Tokar with plans to open a new front on the Red Sea coast.

The SPLA has been fighting since 1983 for greater autonomy or independence for the Christian and Animist south from the Arab Muslim north.

The rebel movement and its allies say they want a popular uprising in Khartoum against the government.

## Twin girls born to Prince Faisal and Princess Alia

AMMAN (Petra) — His Royal Highness Crown Prince Hassan, the Regent, accompanied by their Royal Highnesses Princess Sarvath, Prince Rasheed and Princess Badi'a, on Friday called at Al Hussein Medical Centre where they visited Her Royal Highness Princess Alia Al Faisal who delivered two girls on Thursday.

The Royal Court announced on Thursday that their Royal Highnesses Prince Faisal and Princess Alia had a



twin girls. A Royal Court communiqué said His Majesty King Hussein, the twins' grandfather, called them Sara and Aysha. Prince Faisal now has four children — Omar, Aya, Sara and Aysha.

## Israelis fear attacks but back peace talks; Labour moves towards accepting Palestinian independence

TEL AVIV (AFP) — Most Israelis are worried about being a victim of a Palestinian attack such as last week's suicide bombing but they continue to support the peace process, according to two opinion polls published Friday.

According to a survey of 503 Israelis published in the newspaper Yediot Aharonot, 68 per cent of Israelis are worried about being the victim of an attack by Palestinian guerrillas.

Ten per cent said they are not very afraid, 20 per cent said they have no such fears and two per cent did not express an opinion, Yediot said.

Fifty-five per cent of those questioned said they support the peace process and last Friday's suicide bombing in a Tel Aviv cafe which killed three Israeli women and wounded nearly 50 other people did not change their opinion.

Six per cent said the attack had strengthened their support for the peace process while 17 per cent said the attack had weakened their backing for it.

Twenty per cent said the attack did not sway their opposition to the peace process while two per cent had no opinion.

A poll of 497 Israelis published in the daily Maariv found that 78 per cent support the peace process with the Palestinians. Nineteen per cent were opposed and three per cent had no opinion.

Eighty-five per cent of those polled said Palestinian President Yasser Arafat was directly or indirectly responsible for the Tel Aviv bombing.

Forty-nine per cent said they supported army intervention in the Palestinian territories if it could prevent such attacks while 44 per cent said they opposed such a move.

Fifty per cent of Israelis opposed the creation of an independent Palestinian state while 44 per cent said they were in favour.

The Yediot poll had a margin of error of four per cent while the Maariv survey conducted with the Gallup polling institute had a margin of error of 4.5 per cent.

Israel's main opposition Labour Party took a step on Thursday towards tacit support for a Palestinian state, members of a party policy committee said.

But the proposed changes to the party platform to give backing to Palestinian statehood were likely to meet weighty opposition from several influential Labour leaders.

Members of Labour's political affairs committee said it approved a proposal urging the party to change its platform so that Labour would "not rule out the establishment of a Palestinian state with limited sovereignty."

Under the proposal, which is subject to approval by a party congress, Labour would also recognise the right of the Palestinians to self-determination.

But Ehud Barak, an ex-army chief widely tipped to be Labour's candidate for the premiership in elections scheduled for 2000, indicated that he opposed the statehood proposal.

Reiterating Labour's traditional stance, he told reporters that while "the

result of the (peace) process could be a Palestinian state...I personally prefer to see a confederation between the Palestinian National Authority and Jordan."

Labour Secretary-General Nissim Zivli told state television that he believed the party congress would reject the proposal.

"I don't see room for the party changing its platform on the establishment of a Palestinian state," he said.

"We never believed an independent Palestinian state was the best solution, either for the Middle East or for Israel."

Prime Minister Benjamin Netanyahu of the hardline Likud party won power from Labour's Shimon Peres in elections last May after charging that Labour was moving too fast in granting concessions to the Palestine Liberation Organisation (PLO).

Likud campaigners said Labour policies would lead to a PLO-led Palestinian state that would only serve as a base for violent attacks on Israel.

## American and Israeli mercenaries killed in Zaire

PARIS (R) — Up to three Americans and an Israeli have been killed in the past few weeks while serving as mercenary military advisers to advancing Zairean rebel leader Laurent Kabila, French newspapers said on Friday.

The dailies Le Figaro and Le Monde, quoting unidentified French military sources, said the body of one of the Americans was recovered and handed to U.S. authorities by French nationals.

Although it did not link them directly to the recovery of the body, Le Figaro said France secretly sent a special forces team to Zaire to inform Paris in real time of rebel progress.

The implication was that they recovered the body, Le Figaro said the American died on the confrontation line between rebel forces and government troops.

It said that, in total, two or three Americans plus an Israeli with close ties to U.S. intelligence services were killed. Le Monde said two Americans died, both of them killed three weeks ago in Kivu.

A French Defence Ministry spokesman was not immediately available for comment on the reports.

Le Figaro said many Americans operating in the region were former military men working for a Virginia-based company.

Le Monde said several American firms which recruited mercenaries were involved and that one of them recently had a stand at a leading international arms show in Abu Dhabi.

Soldiers of fortune in the current Zaire conflict had so far been reported to be on the side of government forces which are believed to have employed several hundred mercenaries, mostly Bosnian Serbs.

## Indian politician rebuked for 'fire walk'

NEW DELHI (AFP) — An Indian Tamil politician has been rebuked by his party boss for walking on a fire pit during a Hindu festival, the statesman reported Friday.

Muthuvel Karunanidhi, chief minister of the southern state of Tamil Nadu, Thursday criticised Andhiyar Selvaraj, a minister in his government, for the "fire walk" at a Hindu temple. The statesman said Mr. Selvaraj "went through the self-inflicted ordeal to invoke the blessings of the powerful Hindu goddess for the stability of the Karunanidhi regime."

Karunanidhi, a known atheist, was not impressed. "Those who believe in superstitions and barbaric practices have no place in my party," Mr. Karunanidhi said, adding he would sack the minister if he did not express regret.

Karunanidhi's DMK party governs Tamil Nadu, a coastal state of 55 million Tamils. The party forms part of Prime Minister H.D. Deve Gowda's coalition in New Delhi.

Jewel thieves pedal away

AUCKLAND (AP) — Police are searching for two thieves who stole half a million dollars of jewellery from a shop, and then hopped on getaway bicycles and pedalled off to make their escape.

Detective Steve Breach said the men entered the Bikes and Company Jewellers Store Wednesday and ordered the manager to open a safe. One of the robbers, who was believed to be wearing a false beard, kept a look-out while his colleague collected gold and silver rings and chains, watches and other valuable items and placed them in a black backpack. After tying up the manager with plastic tape, they fled through the rear of the store to an underground parking lot they had left their getaway bicycles.

Errant scalpel may have killed Thai

BANGKOK (R) — From his ashes, it seems a forgotten scalpel may have been the death of Prachub Kangae. While collecting Prachub's bones on Thursday after his body was cremated, grieving relatives were baffled to find a four-inch scalpel — four months after he had surgery.

Prachub's younger brother, Sompong Kangae, the village head in Palien about 900 kilometres south of Bangkok, told reporters the family believed the scalpel was left inside Prachub's body when he had kidney surgery in November. Two months after his operation Prachub was readmitted to hospital complaining of continued pain. He was given painkillers and released from hospital. "He was complaining about the pain from where he received surgery until he died and we believe that the scalpel left in his body was the real cause of his death," Sompong said. The family is considering legal action against the hospital.

Monkey burglar escapes

NEW DELHI (AFP) — A monkey trained to burglar houses has given Indian police the slip after they arrested his master, the Asian Age reported Friday. Rajesh Chorge used his pet monkey to keep watch "and alert him of danger," the daily said while robbing homes in Bombay and nearby cities. "He had also trained the monkey to rob," it added. A police spokesman said the seized electronic equipment including personal computers, a television and video recorders worth nearly \$20,500 but conceded the monkey had got away. The Age said Chorge got the idea of using the monkey as a partner in crime from an Indian film.

## 2 killed in bomb blast in eastern Algiers suburbs

### Militants, security forces step up action ahead of June 5 elections

ALGIERS (Agencies) — A bomb attack in a restaurant-bar in the eastern suburbs of the Algerian capital killed at least two people and left more than 20 wounded, hospital workers said Friday.

There was no immediate claim of responsibility for the bomb.

The attack occurred in the Al Marsa port at around 9 p.m. (20:00 GMT on Thursday), hospital workers said on customary anonymity.

The suburb, around 20 kilometres east of central Algiers, had been considered to be relatively safe from violence connected to the insurgency.

A member of the Islamic religious community said on condition of anonymity that the bomb was planted by a new militant faction known as the Jihad Islamic League Front.

The group, formed from four independent militant factions two months ago, is led by Ali Benhadjar, according to the same source.

One of the founders of the new faction, Abdul Kader Seddouki, and two of his bodyguards were killed Tuesday by security forces in the Bah Al Oued suburb of Algiers.

Security forces have increased their offensive in recent months against militants, trying to crackdown on a five-year-old insurgency against the military-backed government.

More than 50,000 people have been killed since the

start of the insurgency, which was triggered by the army's decision to cancel 1992 legislative elections that Islamist parties were poised to win.

Algerian officials say they have killed two militant leaders, including Seddouki, in the last week.

Independent newspapers have reported nearly 50 civilians killed in attacks by militants, mostly in the region south of Algiers, in the last two weeks.

Religious parties have been banned from new legislative elections scheduled for June 5. The fundamentalist Islamic Salvation Front has called for opposition parties and voters to boycott the elections.

President Liamine Zeroual said earlier this month that Algeria has "passed its crisis."

Insurgents want to topple the military-backed government to install an Islamic state.

One of the main opposition parties, the Socialist Forces Front (FFS), will take part in the general elections. First Secretary Seddik Debailli said after a meeting of the party leadership.

Mr. Debailli said the party will campaign on the theme of peace for Algeria, and reserved the right to pull out of the poll if democratic principles were not respected.

The elections had been imposed by the regime of President Zeroual and were not the solution to the country's civil war, he said.

The FFS's decision means that most of the legal political parties will run in the general elections, unlike the presidential elections in November 1995 and the referendum a year later which extended Mr. Zeroual's constitutional powers.

The June 5 poll will give Algeria its first elected assembly since the annulment of the first round of elections in January 1992.

Algerian security forces on Friday said they had killed seven militants suspected of slaying retired General Habib Kelil in January.

The seven were "neutralised" in the western city of Oran, where Kelil was murdered on Jan. 30, a statement from the security services said. It named four of the dead and said the other three were "still being identified." It did not say when the seven were killed.

It also said a large quantity of arms had been seized. They were named as Yahia Rihane alias Abdallah Krounfel, and the head of the Islamic Front for Armed Jihad Ahmed Abu Al Jihad.

The authorities have stepped up raids in the capital in the last weeks and announced large arms seizures. The army has boosted operations in the countryside

## Ankara coalition at odds over anti-Islamist drive

ANKARA (Agencies) — Turkey's Islamist-led coalition was at odds on Friday over the military's demands that it stamp out a rise in religious activism.

A minister from the administration's pro-Western flank challenged Prime Minister Necmettin Erbakan's Islam-based Welfare Party to block planned anti-Islamist steps demanded by the National Security Council dominated by the generals.

"The (council) decisions will be enforced to the letter. If there is anyone who is trying to stop that, let them come forward and try," state-run Anatolian news agency quoted Trade and Industry Minister Yalim Erez as saying.

Leading Welfare Deputy Oguzhan Asilturk said earlier this week that his party was not obliged to carry out the measures.

The government has yet to take any concrete steps to comply with the army's wishes that Turkey return to the fervent secularism of the 1920s, when the young republic was growing out of the ashes of the Ottoman empire.

The Islamists particularly oppose proposals to reduce the influence of religious secondary schools and enforce a ban on Islamic dress.

Mr. Asilturk on Friday accused some members of Mr. Erez's True Path Party of jumping on an anti-Islamist bandwagon. "There is no conflict in the government. But some government members are playing to the gallery," he told a news conference.

The mainstream media and influential generals have criticised Welfare's attempts to increase the role of Islam in public life as an attempt to undermine secularism.

Health Minister Yildirim Aktuna, of the secularist True Path, cast doubt on Thursday on the future of the government because of the row.

His comments helped push Istanbul shares down by 4.49 per cent at the end of the day. Stocks were up 2.7 per cent in late trade on Friday.

Mr. Aktuna last week ordered provincial governors to ensure public health workers complied with the ban on religious clothing, which mainly means headscarves for women. True Path holds most of the ministries, like education and interior, that have the power to implement the measures.

The secularist dress codes, set by modern Turkey's founder Kemal Ataturk in the 1920s, officially oblige public workers to dress in Western-style clothing — skirts for women and ties for men — during working hours.

The army, which has staged three coups since 1960, is expected to review the crackdown at a meeting on Monday.

The five top-ranking officers on the national security council and other officers met Thursday to evaluate progress in implementing an 18-point plan which the council forced the government to accept in late February.

Thursday's meeting was to evaluate progress ahead of the next council meeting on March 31, when it is expected to focus on another of the proposals — increasing compulsory schooling from five to eight years — equally contested by the Islamists.

Turkey's army has always been very proud of its secular status. Mr. Erbakan's government, which took office last year, was the first Islamic administration since the country became a secular republic in 1923.

Theoretically, the council — whose members include the president, the prime minister, senior ministers and the five military commanders — is an advisory body, but its resolutions are traditionally implemented to the letter.